

**Council**  
**Tuesday 5 March 2013**  
**Report of Cabinet**  
**25 February 2013**

**Business Planning 2013/14 - 2015/16**

# Report of Cabinet

25 February 2013

Members Present:-

Councillor Richard Cornelius (Chairman)  
Councillor Daniel Thomas (Vice-Chairman)

|                          |                               |
|--------------------------|-------------------------------|
| Councillor Dean Cohen    | Councillor David Longstaff    |
| Councillor Tom Davey     | Councillor Sachin Rajput      |
| Councillor Andrew Harper | Councillor Robert Rams        |
| Councillor Helena Hart   | Councillor Joanna Tambourides |

## **BUSINESS PLANNING 2013/14 - 2015/16**

Cabinet noted and agreed the Capital programme 2013/14-2017/18 (Appendix 5(ii)) and the amendment to Appendix 4 in respect of Adult Social Services transport, as set out in the published addenda to the report.

Cabinet members confirmed that they had each considered fully in arriving at the budget proposals the Equalities Impact Assessments in respect of budget proposals as set out in Appendix 8 of the report.

For the reasons set out in the Cabinet Members report, Cabinet

### **RESOLVED:**

**To recommend to Council on 5<sup>th</sup> March 2013 the approval of the business planning documents set out in the attached report and the recommendations set out at Paragraphs 1.2 to 1.21.**

**Changes from Cabinet to Council papers- Forward Plan (2013/14)**

Changes from Cabinet Meeting:

**Appendix4- page 7**

The “Charge higher rate Disability Living Allowance (mobility element) recipients for transport we provide them” (£27k) under Adults- Income- transport line 2014/15 has been moved to the “Revenue income optimisation” line, still within the Adults- Income section.

Therefore, does not affect bottom line approved by Cabinet.

**Appendix 4- pages 14/15/16**

Consolidated lines within Children’s services- Efficiencies and Income:

- Implementation of RFID (£110k) 2013/14
- Shared Service phase 2 (£50k) 2013/14
- Delivery of Library strategy- Grahame Park (£44k) 2015/16
- Delivery of Library strategy- Child’s Hill (£60k) 2014/15
- Creation of new landmark- (£25k) 2014/15 and (£75k) 2015/16
- Library service restructure (£492k) 2013/14
- Efficiencies in maintenance costs (£90k) 2013/14
- Increasing use of community rooms (£25k) 2013/14
- Increasing fees and charges (£31k) 2013/14

to one line in Efficiencies:

- Libraries strategy

Therefore, does not affect bottom line (or profile) approved by Cabinet.

Changes from Officers post Cabinet:

**Appendix 4- page 2**

|  | <b><u>2013/14</u></b> | <b>To</b> | <b><u>2013/14</u></b> |
|--|-----------------------|-----------|-----------------------|
| Mayor’s Office for Policing and Crime  | 233.46                |           | 216.92                |
| London Fire & Emergency Planning Authority   | 41.83                 |           | 49.87                 |
| Mayor, Administration, Transport for London, Olympic Games and Boroughs' Collection Fund balances. | 27.71                 |           | 36.21                 |
| <b>Greater London Authority</b>  | <b>303.00</b>         |           | <b>303.00</b>         |

Therefore, does not affect bottom line approved by Cabinet.

|     |   |
|-----|---|
|     | <b><u>RECOMMENDATIONS (for recommendation to full Council)</u></b>  |
| 1.1 | Cabinet is asked to recommend to Council on 5th March 2013 the following: -   |
| 1.2 | <p><b><u>Revised draft Corporate Plan</u></b><br/> A draft of the council's revised Corporate Plan is included at <b>Appendix 1</b>. This sets out the Council's priorities for the forthcoming year.</p> <p>A final draft of the Plan will be published in early April. Cabinet is asked to agree that the Chief Executive be authorised to make any required amendments prior to final publication, in consultation and agreement with the Leader and the Cabinet Member for Resources and Performance.</p> |
| 1.3 | <p><b><u>Consultation and Equalities</u></b><br/> That Cabinet consider the consultation outcomes and give due regard to the statutory equality duties when making their decisions. The outcome of consultation is set out in <b>Appendix 2</b>.</p>  |
| 1.4 | <p><b><u>Medium Term Financial Strategy (MTFS)</u></b><br/> That Council approve the MTFS attached at <b>Appendix 3</b>.</p> <p>The MTFS sets out all of the budget changes over the period from 2013/14 to 2015/16, 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.</p>   |
| 1.5 | <p><b><u>Detailed Revenue Budgets, Savings and Pressures</u></b><br/> That Council approve the estimates for income and expenditure, savings, pressures and council tax schedules as set out in <b>Appendix 4</b>.</p> <p>The budget has been prepared on the basis of a <b>2 year council tax freeze</b> for 2013/14 and 2014/15.</p> <p>Overall the 2013/14 budget requirement totals <b><u>£267,643,281</u></b>.</p>   |
| 1.6 | That it be noted that the Chief Finance Officer under his delegated powers has calculated the amount of <u>125,294</u> (band D equivalents) as the council tax base for the year 2013/14 [Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992, as amended (the "Act")].   |
| 1.7 | That it be noted that the council tax requirement for the Council's own purposes for 2013/14 (excluding precepts) is <u>£139,477,281</u> .  |

1.8 That Council approve the following amounts be now calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:

(a) £862,151,369 being the aggregate of the amounts which the Council estimates for the items set out in the Section 31A(2) of the Act taking into account all precepts issued to it by precepting authorities.

(b) £722,674,088 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £139,477,281 being the amount by which the aggregate at 1.8(a) above exceeds the aggregate at 1.8(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 in Section 31A(4) of the Act)

(d) £1,113.20 being the amount at 1.8(c) above (Item R), all divided by Item T (Item 1.6 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 (including precepts).

(e) The Chief Finance Officer has determined that the Council's basic amount of council tax for 2013/14 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Act 1992.

(f) £1,113.20 being the amount at 1.7 above divided by the amount at 1.6 above, calculated by the Council, as the basic amount of its council tax for the year 2012/13;

London Borough of Barnet Valuation Bands (£)

| A      | B      | C      | D               | E        | F        | G        | H        |
|--------|--------|--------|-----------------|----------|----------|----------|----------|
| 742.13 | 865.82 | 989.51 | <u>1,113.20</u> | 1,360.58 | 1,607.96 | 1,855.33 | 2,226.40 |

Being the amounts given by multiplying the amount at 1.8(e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which is in that proportion is applicable to dwellings listed 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.

1.9 That it be noted that for the year 2013/14 the Greater London Authority has stated the following amounts in precepts 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      |
|--------|--------|--------|---------------|--------|--------|--------|--------|
| 202.00 | 235.67 | 269.33 | <u>303.00</u> | 370.33 | 437.67 | 505.00 | 606.00 |

1.10 That, having calculated the aggregate in each case of the amounts at 1.8(e) and 1.9 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2012/13 for each of the categories dwellings shown below: -

Council tax for Area (£)

| A      | B       | C       | D              | E       | F       | G       | H       |
|--------|---------|---------|----------------|---------|---------|---------|---------|
| 944.13 | 1101.49 | 1258.84 | <u>1416.20</u> | 1730.91 | 2045.63 | 2360.33 | 2832.40 |

1.11 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 1.10 above pursuant to Section 30 of the Local Government Finance Act 1992 within a period of 21 days following the Council's decision.

**Capital**

1.12 That Council approves the capital strategy and capital programme as set out in **Appendix 5**, and that the Chief Officers be authorised to take all necessary action for implementation.

1.13 The Chief Finance Officer be authorised to adjust capital project budgets in 2013/14 throughout the capital programme after the 2012/13 accounts are closed and the amounts of slippage and budget carry forward required are known.

1.14 That where slippage results in the loss of external funding and a new pressure being placed on prudential borrowing, the relevant Director report on options for offsetting this impact by adjusting other capital projects.

**Treasury Management, Capital Prudential Code and Borrowing Limits**

1.15 The Council note the Treasury Management Strategy for 2013/14 as set out in **Appendix 6** which will go to Full Council for approval.

1.16 The full set of Prudential Indicators set out in **Appendix 6** is noted and that the Chief Finance Officer be authorised to raise loans, as required, up to such borrowing limits as the Council may from time to time determine and to finance capital expenditure from financing and operating leases.

**Housing Revenue Account**

1.17 That Cabinet approve the Housing Revenue Account estimates for 2013/14 as set out in **Appendix 7**.

**Equality Impact Assessments**

1.18 That Council note the Equality Impact Assessments included in **Appendix 8**. A summary is set out in paragraph 9.6.2 of the report. The appendix provides the full assessments where significant changes to service delivery are proposed.

|              |   |
|--------------|---|
| 1.19         | <p><b><u>Reserves and Balances Policy</u></b></p> <p>That Council agree the Reserves and Balances Policy as set out in <b>Appendix 9</b> and the Chief Financial Officer's assessment of adequacy of reserves in section 9.13. This states that the minimum level of General Fund balances should be £15m after taking account of all matters set out in the Chief Finance Officer's report on reserves and balances as set out in the appendix.</p>  |
| 1.20<br>1.21 | <p><b><u>Corporate Risk Register</u></b></p> <p>That Council note the Corporate Risk Register as set out in <b>Appendix 10</b>.</p> <p>There are significant changes proposed to the way local government will be funded in the future from 2013/14 onwards, including redistribution of business rates. In addition it has been confirmed that government austerity measures will continue into 2015/16 and beyond meaning further cuts to government funding. This, alongside rises in the boroughs population and demand for services, provides new challenges for longer term financial planning.</p> |

## **2 RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet on 20 July 2012 agreed a business planning process covering the period 2013/14 – 2015/16.
- 2.2 Cabinet on 7 November 2012 agreed the draft Corporate Plan priorities and the draft budget proposals for 2013/14 to 2015/16 for consultation.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The business planning process enables Members to set the strategic direction of the Council and for that direction to be reflected in strategic priorities for the borough, as set out in the Corporate Plan. The Corporate Plan is the primary strategic document against which Council policy is evaluated in Committee and Delegated Powers Reports.
- 3.2 The Council's forward looking strategic objectives and performance targets have been refreshed for 2013/14, to set clear priorities for the year ahead and to reflect the changing local landscape. These objectives have been consulted on publicly. The Council's budget is focused on ensuring that resources are allocated in such a way to deliver these objectives, ensuring that resources follow strategy.
- 3.3 The Corporate Plan – which sets out the council's strategic direction - is updated annually and forms an overarching framework for more detailed Delivery Unit plans, team plans, and for setting performance objectives for individual officers – thus creating a 'golden thread'.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Severe resource constraint represents the most significant risk to the council achieving its strategic objectives. The One Barnet programme potentially mitigates this risk. The NSCSO procurement expected to save £40m for the Council over the next 10 years, and the successful tender guaranteed savings of £70m in the transferring services, with a further £55m of benefits from procurement and increases in Council tax collection. This is a significant boost for the Council in achieving its financial strategy, but the risk of legal challenge to the implementation of the contract provides a challenge to the budget strategy. The Council has currently held off from entering into the NSCSO contract and from making a preferred bidder recommendation for DRS while the legal challenge is heard. In respect of legal challenge to the NSCSO and DRS procurements, the following scenarios are relevant:
  - If a legal challenge is mounted unsuccessfully and the case is concluded within the next couple of months, then the assumption within the medium term financial strategy hold firm in respect of this report;
  - If a legal challenge is mounted successfully and the Council subsequently complies with the court judgements, retakes relevant decisions, and this process to enter into the contract takes, for example,



a year to conclude, then the Council would have to find £2.2m of savings (one off) early in 2013 to bridge the gap that would have been met from the NSCSO contract, and further savings of £1.5m in respect of DRS. The Council would also have to, in the interim period, develop contingency proposals to reduce the annual budget by approximately £15m to reflect the annual savings expected to be derived from both contracts. This would inevitably impact on frontline service delivery. In addition, the Council Tax freeze for 2014/15 would need to be revisited and proposals to invest £4m in priority projects would not materialise;

- If a legal challenge is successful and as a consequence the Council does not proceed with the NSCSO and DRS contracts, the council would have to develop alternative savings proposals to reduce the annual budget by £15m. In addition, the Council Tax freeze for 2014/15 would need to be revisited and proposals to invest £4m in priority projects would not materialise.
- 4.2 The implications of the judicial review are significant, with the NSCSO procurement expected to save the Council on average £1m per month over the contract term. In the short term it puts at risk the ability of the Council to spend the additional £4m on priority projects, and in the longer term it means the Council will need to develop alternative means of making savings which will affect frontline service delivery.
- 4.3 The Council has taken steps to improve its risk management processes, in particular integrating the management of financial and other risks. Risk management information is reported quarterly to Cabinet Resources Committee and is reflected as appropriate in business planning. A number of services are expected to transfer to NSCSO and DRS providers in early 2013/14. It will be important to ensure that services transfer effectively and that performance is maintained over the period of transition. There are guarantees and commitments in the contracts to ensure that this risk is mitigated.
- 4.4 The continued economic uncertainty within the Eurozone, coupled with the slow growth within the UK economy, represents a significant financial risk to the Council. There is a treasury risk due to the fact that banks around the world are exposed to debt within the Eurozone, and this means that the treasury strategy must continue to be cautious to reflect this risk.
- 4.5 Previous budget setting reports have referred to risks in respect of future spending cuts for local government. In December 2012, the government confirmed spending totals for Councils for 2013/14 and have subsequently published spending totals for 2014/15 which have been cut by 2% on top of the previous spending review cuts. The government will bring forward a further spending review to cover the financial year 2015/16 in 2013. Details of these spending plans are not currently known, but it is clear that continued cuts to local government funding will continue in 2015/16 and beyond. Current modelling suggests that further annual reductions of between £15m and £20m are likely. For this reason, it is important that the council is

prudent with its use of reserves and contingency to mitigate against future cuts.

- 4.6 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. EQUALITY AND DIVERSITY ISSUES**

- 5.1 Equality and diversity issues are a mandatory consideration in decision-making in the Council. This requires 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 groups with protected characteristics and what mitigating steps can be put in train. In reaching their decision with regard to the proposals put forward in the 2013/14 budget setting process, members are referred to the key outcomes of the equalities analysis together with the EIAs (**Appendix 8**) as well the results of relevant consultation exercises (**Appendix 2**). These documents will enable members to make fully informed decisions.
- 5.2 The projected increase in the borough's population and changes in the demographic profile will be key factors that need to be considered when determining both the corporate strategy and service responses. Both of these need to also reflect the aspirations and contributions of current residents.
- 5.3 Similarly, all human resources implications have been 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.

## **6 USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 This report covers the Council's Medium-Term Financial Strategy and business planning process. In March 2012, the Council set a three year budget which puts the organisation in a strong position to manage the challenges of funding reductions resulting from the Spending Review. In November 2012, Cabinet agreed updated 3 year budget proposals over the period 2013/14 to 2015/16 for consultation. This report feeds back on this consultation and recommends the adoption of the budget proposals set out within the report.
- 6.2 The total budget gap is £49.8m over the next 3 years. There is a provision of £4.7m included in the budget to meet demographic pressures in relation to Adults and Children's Social Care. The combinations of these two factors require the Council to make savings totalling £54.5m to enable a balanced

budget to be set. The three year budget position is set out in section 9.4, with pressures and savings included in **Appendix 4**.

- 6.3 Demographic change poses a particular challenge. Barnet is facing significant budget reductions at the same time as the population is increasing, particularly in the young and very old. Given that nearly two thirds of the Council's budget is spent on Adult Social Care and Children's Services, this poses a particular challenge as these services are predominantly 'demand led'. There will also be costs related to infrastructure development. The annual allocation of New Homes Bonus funding will be allocated to the infrastructure reserve as a contribution towards these costs.

## **7 LEGAL ISSUES**

- 7.1 This report sets out the complex challenges faced by the Council as a consequence of the spending review, current and foreseeable economic conditions and the particular demographic changes in Barnet. Members will of course be aware of the legal responsibility to set a balanced budget against this difficult backdrop. This necessitates making difficult decisions with regard to Council policies and delivery of services. Some residents and or service users may not be agreeable to the Council's proposals and a challenge by way of Judicial Review could be mounted by any person, group of persons or body or group of bodies that may be adversely affected by a particular proposal. Such a challenge could be brought at any stage of the decision making process on the grounds of illegality, irrationality and or impropriety, however, such challenges must be brought within three months of the Council decision. In order to successfully defend such a challenge, it is critical that proper decision making processes are followed, that, where appropriate, there is proper consultation and at all times the Council has due regard to its public law equality duties. These are both set out in further detail below.
- 7.2 All proposals emerging from the finance and business planning process have been carefully considered and, where appropriate, mechanisms put into place to mitigate the legal risk of challenge as far as possible.
- 7.3 With regard to staff and redundancy consultation, Members will be aware that there is a statutory requirement to give 90 days notice where there are potentially more than 99 redundancies. This report states at paragraph 9.7.4 that as at October 2012, the total number of staff at risk was estimated at 252. A 90 day consultation has been carried out and this concluded on 3 February 2013. If the NSCSO procurement does not proceed, the numbers at risk of redundancy would go up significantly as the Council would have to find alternative savings.

## **CONSULTATION**

- 7.4 As a matter of public law the duty to consult with regard to proposals to vary, reduce or withdraw services will arise in three 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; and
- Exceptionally, where the matter is so important that the Council ought to consult whether or not there is a statutory duty to consult.

7.5 Consultation must be carried out fairly. In general, a consultation can only be considered as proper 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; and
- 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.

7.6 Consultation proposals should demonstrate not only that the Council is approaching the proposals with an open mind but also that it is mindful of the range of implications a proposal may have for those affected and that any decision is not pre-determined prior to the consultation and the responses thereto being considered. Details of the Council's consultation on proposals within this report are set out in section 9.3.

7.7 The Council must take account of all relevant considerations; including importantly the duty to give due regard to the public law equality duty and in particular any potential differential and/or adverse impact. The Council must also have regard to and weigh up all countervailing factors, including financial resources, which in the context of the function being exercised, it is proper and reasonable for the Council to consider.

7.8 Finally there has been staff consultation about these proposals in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. This collective and individual staff consultation took place during the period 26 October 2012 to 3 February 2013.

## **PUBLIC SECTOR EQUALITY DUTY**

7.9 The core provisions of the Equality Act 2010 came into effect in October 2010. This Act provides a new cross-cutting legislative framework to update, simplify and strengthen the previous discrimination legislation. In short, the Council must have due regard to the equality duties whenever it exercises a public function. The broad purpose of this duty is to integrate considerations of equality and good relations into day to day business requiring equality

considerations to be reflected into the design of policies and the delivery of services and for these to be kept under review.

7.10 The general duty on public bodies is set out in section 149 of the Act.

- (1) 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.
- (2) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - (b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
  - (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- (3) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- (4) 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, having due regard, in particular, to the need to:
  - (a) Tackle prejudice, and
  - (b) Promote understanding.
- (5) 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.
- (6) The relevant protected characteristics are:
  - Age;

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

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

7.11 The Equality and Human Rights Commission has issued a statutory code of practice with regard to services, public functions and associations as well as a number of non statutory guides, including an essential guide to the public sector equality duty, equality objectives, equality information, meeting the equality duty in policy and decision-making and engagement. The Council must follow statutory guidance and have regard to non-statutory guidance when formulating policies and decision making and should only depart from it with good reason.

7.12 The guidance states, amongst other matters, that public authorities should:

- Have an adequate evidence base (i.e. up to date and reliable information about the different groups) when undertaking the analysis and making decisions and to consider what engagement needs to be undertaken with people who have an interest in tackling discrimination, advancing equality of opportunity and fostering good relations; and
- Analyse the potential impact that a policy, procedure or practice might have on different equality groups.

7.13 Finally, the Council must be mindful of well established principles that have emerged in case law, namely:

- Due regard means the regard that is appropriate in all the circumstances and therefore the context of the decision is important.
- The duty is equally applicable in the formative stages (when the policy is being formulated) as well as at the time of making a final decision. It involves a conscious approach and state of mind.
- An incomplete or erroneous application of the duties will mean that due regard has not been given.
- The duty must be exercised in substance, with rigour and with an open mind (i.e. it is not a tick box exercise),
- The duty is non-delegable (i.e. the decision maker / decision making body must ultimately discharge the duty)
- The duty is a continuing one and therefore requires consideration when formulating policies and making decisions as well as a review;
- Consideration must be given to what cumulative impact, if any, there is on any protected group(s).

## 8. CONSTITUTIONAL POWERS

- 8.1 Constitution, Part 3, Responsibility for Functions – Section 3, Responsibilities of the Executive.
- 8.2 Council Constitution, Part 3, Responsibility for Functions – Section 3.8 provides for the Cabinet to recommend to the Council for adoption the Council's budget.

## 9. BACKGROUND INFORMATION

### 9.1 Executive Summary

9.1.1 In March 2012, the Council set a three year budget for the period 2012/13 – 2014/15. In November 2012, Cabinet agreed draft revised strategic objectives for the council, to be reflected in the annual Corporate Plan, alongside budget proposals for 2013/14 to 2015/16 for consultation. This report:

- Recommends the draft **Corporate Plan, which sets out the strategic priorities for the council for the coming year**, for approval;
- Feeds back on the **outcome of consultation** on the budget proposals for 2013/14 to 2015/16; and
- Recommends **budget proposals for 2013/14 to 2015/16** for approval;

9.1.2 Next year's strategic objectives are set out in **section 9.2**. These form the basis of the 2013/14 Corporate Plan, a draft of which is included in detail at **Appendix 1**. These strategic objectives drive the allocation of resources and have been refined following the outcome of the public consultation.

9.1.3 The total budget gap is **£49.8m** over the next 3 years. There is a provision of **£4.7m** included in the budget to meet demographic pressures in relation to Adults and Children's Social Care. The combinations of these two factors require the Council to make savings totalling **£54.5m** to enable a balanced budget to be set.

9.1.4 In October 2012, the Government announced that funding would be found to enable a council tax freeze for 2013/14. This funding, along with confirmation of government funding in 2014/15 and work to reduce other corporate risks now allows the Council to set a **2 year council tax freeze for 2013/14 and 2014/15**.

### Strategic Context

9.1.5 The Corporate Plan is the main overarching strategic document for the council, which sets out its future strategic direction. The Corporate Plan (2013/14) has been revised to reflect the new freedoms and opportunities offered by reforms to local government funding – which place a greater

degree of control with local authorities - the Localism Act, and the transition to a commissioning model of operation.

9.1.6. The revised Corporate Plan is more focused, with a reduced number of objectives, refined performance targets, and clear lines of accountability. The Corporate Plan will sit above published Service Delivery Plans for each directorate, thus providing a clear link between the council's strategic objectives and the actions each service will take to deliver them.

9.1.7 The council's strategic objectives reflect the concerns and priorities of residents, taking account of consultation and of this year's Residents' Perception Survey.

9.1.8 Achieving the council's strategic objectives will require close collaboration between the council and its public sector partners across the borough. For example, an objective to keep Barnet safe will set out how the council will work with the police and other partners to achieve this.

## **9.2 Emerging priorities**

9.2.1 Barnet is facing a significant period of change as it deals with the consequences of significant demographic change alongside a 26% reduction to funding from central Government over the current Spending Review period, with the prospect of continued austerity for a further decade.

9.2.2 Despite these immense challenges, there are opportunities. Alongside the cuts, authorities have been delegated more powers and financial control through funding reforms – particularly the localisation of business rates and the New Homes Bonus – the Localism Act and changes to planning powers. These reforms create an incentive for councils to focus on growth and development as a means of helping to mitigate the financial and social challenges they face. Barnet will embrace these opportunities.

9.2.3 The borough has a number of the 'building blocks' in place to support this approach. Barnet is a successful London suburb where people want to move to - 88% of residents are satisfied with their local area as a place to live. Barnet's population is more skilled than the London average, whilst both household incomes and employment rates are higher.

9.2.4 The local economy is vibrant – Barnet has the third highest business stock and start-up rate in London and collects over £100m annually through business rates. The council tax base continues to grow, with nearly 7,000 new homes built over the past 8 years and significant areas of regeneration under way and in development.

9.2.5 The council has done much over the past few months to help create the right environment for growth in the local economy – by investing £3.5m of additional resources in roads and pavements and £1m to support local businesses and young people into employment. The impact of the council's growth strategy are beginning to bear fruit, with participation rates for the



number of 16-17 year olds in education, employment and training amongst the highest in London at 95% - up 3.4% from 2011. Barnet has also seen a record-breaking number of new company formations during the second quarter of this year, with 285 new companies formed between May and August 2012 – higher than any other second quarter on record for the area.

### **Corporate Plan 2013/14**

9.2.6 The revised new Corporate Plan sets a clear direction for the council for coming years. Economic growth, managed in a responsible way, is essential for ensuring that Barnet remains a place where people want to live and where opportunities exist for all. It is therefore essential that a focus on growth provides the cornerstone of the council's strategy. Alongside this, there will be a continuing need for the council and its partners to support families and individuals that need it. It is essential that this is reflected in the revised Corporate Plan, along with the continuing priority that residents are satisfied with their local environment.

9.2.7 The council's new strategic direction will be based around three top level strategic objectives, supported by half a dozen priority outcomes which cover the full breadth of the council's local responsibilities. This revised, more focused framework will be underpinned by a matrix of performance indicators against which success will be measured.

9.2.8 The Corporate Plan 2013/14 sets three strategic priorities. Barnet Council will work with local partners to:

- 1: Create the right environment to promote responsible growth, development and success across the borough.
- 2: Support families and individuals that need it – promoting independence, learning and well-being.
- 3: Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.

This is underpinned by six priorities:

**In 2013, we will deliver this, by focusing our efforts on these outcomes:**

- 1: To maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough.
- 2: To maintain the right environment for a strong and diverse local economy.
- 3: To create better life chances for children and young people across the borough.
- 4: To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health.
- 5: To promote a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well.
- 6: To promote family and community well being and encourage engaged, cohesive and safe communities.

## Approach to business planning

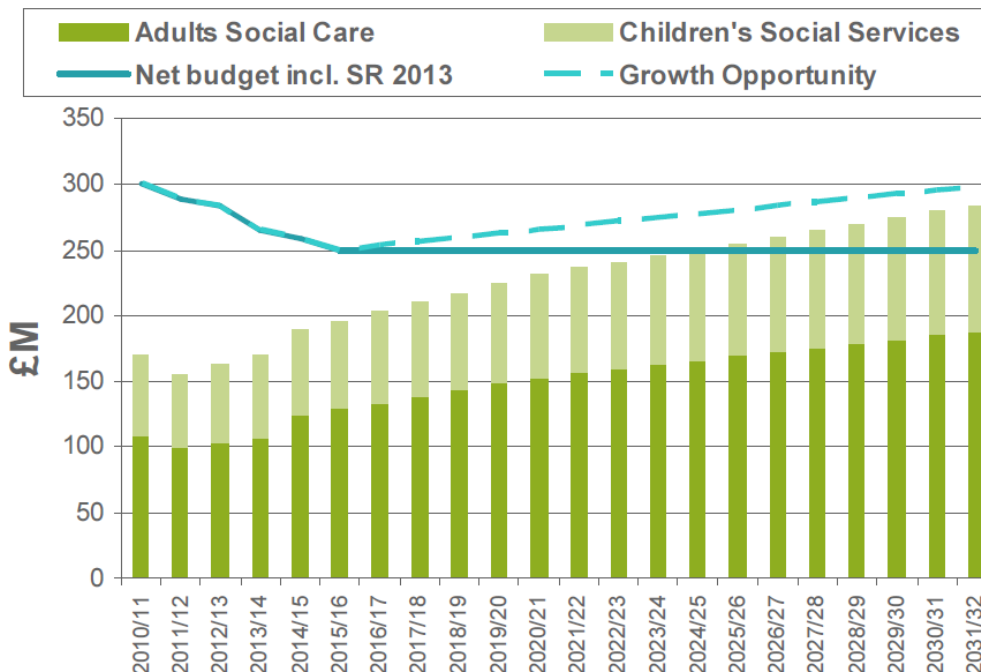
9.2.9 The Government's plan to cut public spending by £81 billion by 2015 will have a big impact on councils across the country. Difficult choices are required.

9.2.10 The council's approach to business planning has been to focus on mitigating the impact of funding reductions on front line services as far as possible through back office efficiencies and developing alternative ways to deliver services. Of the £54.5m of savings identified within this report, 89% are from efficiencies, 8% comes from service reductions and 3% are related to increases in income.

## Longer term financial planning and demand management

9.2.11 Modelling has been undertaken to understand the impact of growing demand on the Council's budget resulting from demographic change, taking into account a range of factors including population increase, inflation and likely legislative changes.

9.2.12 Although many factors will change and this graph is illustrative, it shows that, if funding to local government remains flat, the council's entire budget will potentially be spent on Adults Social Care and Children's Services within 17 years. The graph has now also been updated to reflect the potential benefit from growth of the council tax base and growth of business rates following the government's reform of local authority funding.



9.2.13 The Council has finalised its Infrastructure Delivery Plan (IDP) which responds to demographic change in Barnet up to 2026. The IDP sets out the infrastructure required to support this growth and identifies the funding sources to enable its delivery.

9.2.14 This is relevant to our planning process in a number of ways. Firstly, this picture is used to inform the level of additional investment needed in services to fund demographic changes. Specific detail on investment in demand can be seen in **Appendix 4** in respect of Adults and Children's Services. Secondly, it also provides an evidence base to lobby the government about sustainable funding for local government in the future. It is also important to consider longer term financial planning in the context of the change the government is making to business rates and council tax benefits.

### **9.3 Consultation**

9.3.1 During the process of formulating budget and Corporate Plan proposals for 2013/14 onwards, three phases of consultation took place:

- Phase One (October 2012 – November 2012): Residents' Perception telephone survey.
- Phase Two (November 2012 – January 2013): Corporate Plan consultation
- Phase Three: Finance and business planning (including proposed budget) consultation (October 2012 – January 2013).

9.3.2 Phases two and three used various engagement and consultation approaches. Our consultation focussed on: the council's strategic direction and priorities to be reflected in a revised Corporate Plan; the budget headlines for 2013/14; overall perception in the borough; and where reductions to services are proposed.

- Survey on the Council's Finance and business plan (including proposed budget) for 2013/14 - 2015/16
- Survey on proposals for the 2013/14 Corporate Plan and our priorities for coming years
- Face to Face consultative event with members of the Citizens' Panel and Youth Panel
- Service-specific consultations where the council has proposed cuts to services in the budget proposals for 2013/14 (detailed findings in Appendix 2).

9.3.3 The Residents' Perception Survey (sample 1,600 residents) provided an opportunity to identify perception of Barnet as a place, local concerns, performance of the council and public services. Key headlines on residents concerns are as follows;

Overall satisfaction with the local area remains high and significantly above the national average (+ four per cent).

- The vast majority of residents (88 per cent) are satisfied with their local area as a place to live which is two per cent higher compared to 2010/11.

Residents' top three concerns have shifted slightly since 2010/11:

- The top three concerns for Barnet residents are crime (31 per cent), conditions of roads and pavements (26 per cent) and level of council tax (23 per cent).<sup>1</sup>
- Delegates at the Citizens' Panel consultative event explained their perceptions of concern for council tax levels with reference to the wider economic context; as salaries are frozen and the cost of living is going up a council tax freeze seems like an increase in real terms.
- Residents are also now more concerned with traffic congestion, litter and dirty streets, and lack of affordable housing compared to 2010/11.
- However, crime, lack of affordable housing, lack of jobs, litter/dirty streets, number homeless people and poor public transport are much more of a concern across London when compared to Barnet.
- Reasons for residents' concerns were explored in the Citizen Panel face to face event which can be found in Appendix 2.

9.3.4 The finance and business planning (including budget) survey had a total of 50 responses. 61 residents attended the face to face consultative event. The key headlines for the finance and business planning consultation are as follows:

- In terms of the council's overall approach to its business planning, i.e. the efficiency, income and service reductions that have been identified in the 2013/14 finance and business plan, views were mixed and there was no clear majority. However, residents were more inclined to say the proportion of efficiency savings the council had identified were about right; that the increased income that had been identified should be more and that the reduction to services should be less;
- In terms of the level of council tax, views were mixed and there was no clear majority in terms of the relationship between keeping council tax low compared to protecting council services. 39 per cent (11 out of 28 respondents) suggested they would want council tax levels to increase above inflation. Remaining respondents suggested they would want council tax levels to increase at or below inflation, or in some instances be frozen or cut;
- The Citizens' Panel face to face event showed that residents were generally opposed to raising council tax for reasons outlined above and offered other ideas for generating income (see Appendix 2);
- A small number of survey respondents provided more detailed feedback on the budget for 2013/14 and plans the year ahead. These findings are provided in detail in Appendix 2.

9.3.5 The Corporate Plan survey had a total of 39 responses. 61 residents attended the face to face consultative event. The key headlines for the Corporate Plan consultation are as follows:

- The vast majority of respondents agreed with the strategic objectives

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<sup>1</sup> In 2010/11 the top three concerns were conditions of roads and pavements, crime, and rising prices and interest rates.

- Again, the vast majority of respondents also agreed with the priority outcomes included in the Corporate Plan, and there was little difference between levels of agreement
- At the Citizens' Panel consultative event delegates felt all the priorities were very positive and found it difficult to rank priorities
- Some respondents expressed confusion over the language of the objectives and priorities, and also felt that the Plan needed greater explanation of the type of actions which would be required to deliver the objectives. This was also reiterated in the Citizens' Panel event.

9.3.6 As a result of consideration of consultation and other factors, the following amendments have been made to the budget proposals:

- a) A two year council tax freeze is proposed for the years 2013/14 and 2014/15; and
- b) Further investment of £4m will be allocated to fund priority projects to tackle key concerns from the Residents' Perception Survey. This will be funded from additional, one off, savings from the NSCSO contract in 2013/14.
- c) Additional funding has been added into the capital programme for additional school places across the borough

## 9.4 Medium-term financial strategy

9.4.1 The Medium Term Financial Strategy (MTFS) sets out all of the budget changes over the relevant three-year planning period, including assumptions around inflation, changes to levies, pressures, savings and grant funding. It is the model which underpins the Council's financial strategy.

### 2012/13 – 2014/15 budget plan

9.4.2 When the three-year budget covering the period 2012/13 to 2014/15 was set in March 2012, the MTFS reflected a budget gap of £43.1m over the three years, together with savings proposals to reach a balanced position.

|  | 2012/13<br>£<br>m | 2013/14<br>£<br>m | 2014/15<br>£<br>m | Total £m    |
|--|-------------------|-------------------|-------------------|-------------|
| <b>Budget Gap March 2012 (incl. pressures)</b> | <b>13.3</b>       | <b>14.4</b>       | <b>15.4</b>       | <b>43.1</b> |
| Savings proposals                              | (13.3)            | (14.4)            | (15.4)            | (43.1)      |
| <b>Final Gap</b>                               | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>    |

### Funding from central Government

9.4.3 The 2012/13 budget was set and savings proposals have been implemented. This report sets out budget proposals for the period 2013/14 to 2015/16. The

Local Government funding settlement for 2013/14 and 2014/15 has now been announced, so the next two year's budget can be set with a degree of certainty. For 2015/16, spending allocations have not been announced, so the MTFS has been updated using the national budget reduction figures from Spending Review 2010. Given the current economic uncertainty, and the likelihood that significant further cuts will be made in 2015/16 the Council's financial strategy in terms of reserves and contingency remains cautious for the coming financial year.

### **2012/13 financial position**

- 9.4.4 The latest position on budget monitoring for 2012/13 was reported to Cabinet Resources Committee in February 2013. The report shows a projected £2.1m overspend across all services. Since then work has been ongoing on the Quarter 3 position. This confirms that whilst there are some pressures the position against the Council's level of general reserves will remain above £15m at the end of the year.
- 9.4.5 The most significant risks are the overspend reported in Environment, Planning and Regeneration service and the Commercial directorate. Action plans are in place to address this position.

### **Risks over the next three years in the MTFS**

- 9.4.6 As reported to Cabinet in November 2012, a number of additional risks have been added to the budget model. These have been refreshed again for this final budget report. A commentary on these is set out below:
- **Pay and non-pay inflation** – assumptions included in the MTFS are for a 1% increase in local government pay and an assumption of 2.5% for non-pay inflation for third party contracts and spend. These assumptions are unchanged from budget headlines.
  - **North London Waste Authority levy** – this final budget report reflects the latest position on the levy, which is substantially lower for 2013/14 than previously advised. This levy has been reduced from £2.2m to £300k.
  - **Capital financing costs** – provision has been made within the MTFS for costs associated with future borrowing in respect of the capital programme, mainly for additional school places. These assumptions are unchanged from budget headlines.
  - **Central expenses** – provision is made within central expenses for specific risks. Since budget headlines, £2m has been included to reflect the risk noted across London that costs associated with temporary accommodation will increase in 2013. The provision for council tax support has been reduced from £3.1m to £2m now that a local scheme has been set, but a risk still exists that the take up increases more than expected. Final figures have been announced in respect of concessionary fares, so the provision here has been reduced from £1m to £326k.
  - **Formula grant, core grants and business rates** – allocations for 2013/14 and 2014/15 have now been announced. The effect on the MTFS was a reduction of £690k due to the removal of the assumption of funding

for disadvantaged two year olds. In addition, the Councils business rate baseline is actually £600k lower than the government's assumption when setting funding. These two amendments result in an overall reduction in funding of £1.3m which is funded in the MTFs from the surpluses noted in the bullet points above.

9.4.7 The bullet points above refer to specific risks and factors reflected in contingency and central expenses. There are further risks that the Council needs to mitigate against, and reserves and balances are held for this purpose. The updated MTFs is set out in **Appendix 3**.

9.4.8 The Medium Term Financial Strategy will also be updated to reflect the inclusion of health funding for social care, S256 NHS Act. This will be brought into the budget and allocated to an earmarked reserve for the protection and development of social services. A process will be followed to review proposals for the use of this funding, taking into account the previous decisions on the allocation of this funding by the Health and Wellbeing Board.

## 9.5 Revenue budget

### Savings

9.5.1 Savings proposals for 2013/14 and 2014/15 have been reviewed across the Council to ensure they remain deliverable and are in line with the direction of policy. Savings proposals have also been developed for 2015/16. Each savings proposal is included in **Appendix 4** to this document, and are summarised as follows:

| SERVICE                                  | 2013/14 | 2014/15 | 2015/16 | Total Savings |
|--|---------|---------|---------|---------------|
|  | £'000   | £'000   | £'000   | £'000         |
| Adult Social Services                    | 4,011   | 8,877   | 8,424   | 21,312        |
| Assurance Group                          | 109     | 40      | 0       | 149           |
| Children's Service                       | 5,338   | 5,775   | 5,474   | 16,587        |
| Commissioning Group                      | (71)    | 700     | 800     | 1,429         |
| Development & Regulatory Services        | 1,755   | 1,355   | 300     | 3,410         |
| Housing Needs & Resources (Barnet Group) | 61      | 55      | 300     | 416           |
| Legal                                    | 80      | 150     | 200     | 430           |

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| New Support & Customer Services Organisation | 1,908         | 2,393         | 2,000         | 6,301         |
| Street Scene (incl. Parking)                 | 1,301         | 1,292         | 1,851         | 4,444         |
| <b>TOTAL</b>                                 | <b>14,492</b> | <b>20,637</b> | <b>19,349</b> | <b>54,478</b> |

## Pressures

9.5.2 Budget proposals also include pressures. These are included in **Appendix 4** and are summarised as follows:

| SERVICE               | 2013/14      | 2014/15      | 2015/16      | Total pressures |
|-----------------------|--------------|--------------|--------------|-----------------|
|                       | £000         | £000         | £000         | £000            |
| Adult Social Services | 800          | 800          | 800          | 2,400           |
| Children's Service    | 850          | 750          | 720          | 2,320           |
| <b>TOTAL</b>          | <b>1,650</b> | <b>1,550</b> | <b>1,520</b> | <b>4,720</b>    |

9.5.3 The overall position for Member decision can be summarised as follows:

|                        | 2013/14<br>£m | 2014/15<br>£m | 2015/16<br>£m | Total £m     |
|------------------------|---------------|---------------|---------------|--------------|
| <b>Budget gap</b>      | <b>12.8</b>   | <b>19.1</b>   | <b>17.8</b>   | <b>49.8</b>  |
| Savings proposals      | (14.5)        | (20.6)        | (19.3)        | (54.5)       |
|                        | <b>(1.7)</b>  | <b>(1.5)</b>  | <b>(1.5)</b>  | <b>(4.7)</b> |
| Pressures              | 1.7           | 1.5           | 1.5           | 4.7          |
| <b>Gap / (surplus)</b> | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>     |

9.5.4 Cabinet are asked to recommend the budget as set out in **Appendix 4** for approval by Council.

### Balanced position

As a result of the budget proposals set out above, the Council has a balanced budget position for the period 2013/14 to 2015/16. This is based on actual funding announcements for the first two years of this period, and assumptions about funding levels in 2015/16.

## 9.6 Equality Impact Assessments

9.6.1 Detailed equality impact assessments have been included in **Appendix 8**. Those budget savings that are subject to detailed equality impact assessments are as follows:



- Drugs & Alcohol
- Youth Services
- EPR

9.6.2 Equalities Impact Assessments carried out on the Children's Service proposed budget savings for 2013/14 in relation to youth services, sports development and substance misuse services identified that they might result in a negative equalities impact on young people in Barnet. This is especially relevant to the protected characteristic of age, as the services are specifically for children and young people. A cumulative negative impact on young people might be anticipated as a result of this and previous year's budget reductions. To help reduce the potential impact, the charging model introduced during 2012/13 would continue to be developed to help ensure that youth and play activities remain available to young people who are not identified as target groups. Formal accreditation in activities and programmes for young people, such as the Duke of Edinburgh scheme, is being increased and links strengthened with local schools. Other groups where it is anticipated there might be a negative equalities impact are males, and those with African and Caribbean backgrounds who are most likely to use and/or be targeted by the current services. Young offenders and those at risk of homelessness are also groups more likely to be impacted by the proposals. To help mitigate this, homeless young people would be supported by a dedicated targeted youth worker. The Council is also working closely with partners to explore the possibility of securing funding from other sources. Last year's budget proposals for the youth service anticipated a negative impact on disabled young people. This potential impact was successfully mitigated, including by refocusing resources on out of school provision for young people with disabilities.

## 9.7 Staffing implications and associated costs

9.7.1 The budget savings options set out in this report at **Appendix 4** have a number of implications in terms of staffing:

|   | 2013/14                                 | 2013/14                              | 2013/14                              | 2014/15       | 2015/16       |
|---|---|--------------------------------------|--------------------------------------|---------------|---------------|
| Service Area  | Proposed FTE Reduction at 31 March 2012 | Employees At Risk at 25 October 2012 | Employees At Risk at 17 January 2013 | FTE Reduction | FTE Reduction |
| Adults & Communities                                | 12.67                                   | 49                                   | 51                                   | 12            | 0             |
| Children's Services including Grant Funding changes | 46.52                                   | 199                                  | 200                                  | 1             | 0             |
| Commissioning and Assurance                         | 6.6                                     | 4                                    | 4                                    | 0             | 0             |
| Street Scene including Parking                      | 0                                       | 0                                    | 10                                   | 0             | 0             |
| <b>Total</b>  | <b>65.79</b>                            | <b>252</b>                           | <b>265</b>                           | <b>13</b>     | <b>0</b>      |

9.7.2 The above information is provided to enable the Cabinet to understand the full service delivery and financial implications of the budget proposals. All staffing related decisions are the sole responsibility of the General Functions Committee.

9.7.3 On 7 November 2012, General Functions Committee considered the staffing implications of the budget headlines, and agreed that subject to the completion of statutory consultation with staff and Trade Unions that the

Assistant Director for HR be instructed to arrange with the respective Directors for redundancy letters to be issued to those employees who are to be made redundant as a result of this process.

### **Redundancy Consultation Process**

- 9.7.4 As at 17 January 2013, the total number of staff at risk was estimated at 265, this figure has increased as a result of a consultation in Street Scene which has resulted in 9 more employees being identified as at risk. Once the consultation period closes on 1 February then HR will work with managers to identify and remove people from 'at risk' as quickly as possible. For those employees who are confirmed as redundant they will have their formal redundancy letters issued after Cabinet on 25<sup>th</sup> February 2013.
- 9.7.5 Where there were restructures required to deliver these savings then consultation has taken place on these changes during the 90 day period so that the restructures can be implemented by 31 March to ensure that full savings are achieved.
- 9.7.6 A Council-wide staff Equalities Impact Assessment (EIA) has been undertaken and has looked at the Equality impacts at key milestones. The milestones are identification of those at risk: at the start of consultation; mid consultation; end of consultation and after completion of the process.
- 9.7.7 The outset EIA in the 7 November 2012 GFC report sets out the 'at risk group'. This Group reflects those employees who are employed within those areas where budgets savings are being proposed. At mid consultation there had been no change in the 'at risk group' and no equality impacts had been identified through the collective or local consultation process, however the next key stage will be at the end of consultation as decisions are made about budget savings and the consequent decisions about employees selected for redundancy. To attempt to minimise the number of redundancies the Council has a rigorous redeployment process to ensure that the maximum number of employees are redeployed into suitable alternative roles.

### **9.8 One Barnet programme**

- 9.8.1 Good progress has been made over the last year on projects within the One Barnet programme. The programme is investing £9.8m in projects that will deliver a reduction in the Council's annual budget of £25m and underpins a significant part of the Council's MTFs. Cumulative savings expected over a 10 year period are in excess of £200m. Other key points include:
- **£8m** reduction in Council's annual budget already delivered up to 2012/13 (**£15m** cumulative savings);
  - **Local Authority Trading Company** - went live on 1<sup>st</sup> February 2012 for in-house adult social care services, and housing needs service transferred to Barnet Homes in April 2012;
  - **New Support and Customer Services Organisation** - procurement at preferred bidder stage with planned savings totalling £125m over 10 years;

- **Development and Regulatory Services** - procurement final tenders now received;
- **Shared legal service** – went live with Harrow Borough Council on 1<sup>st</sup> September 2012;
- **Community coaches** – successful development of a volunteer life coaching scheme, currently being developed into an on-going service for the community;
- **Right to control** – a project to develop co-ordinated support for disabled citizens, including social care, housing and employment support, and
- **Public Health** – a shared public health function has been developed between Barnet and Harrow Councils.

### **Additional projects**

9.8.2 Through the business planning process, a number of future years savings have been identified which are dependent on projects and resource to enable them to be delivered. Key points are as follows:

- **Streetscene** – the Streetscene budget proposals include savings in respect of a project to bring the recycling service in-house, and combine this function with other elements of the Streetscene service to improve efficiency;
- **Health Integration and demand management** – savings from demand management, and greater integration with health services have been included in budget proposals;
- **Early intervention** – a project to deliver longer term savings from investment in early intervention and prevention;
- **Community Safety** – a project to deliver benefits from greater integration of community safety between the Council and local partner organisations; and
- **Sport and Physical Activity** – a project to deliver savings and improved health outcomes in respect of sport and physical activity.

9.8.3 Funding for these projects will come from the transformation reserve.

## **9.9 Council Tax**

9.9.1 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 is 2%. In effect this means that council tax increases are capped at 2% for 2013/14. The Council's budget is based on a council tax freeze for 2013/14 and 2014/15.

9.9.2 The detailed council tax base schedules are included in **Appendix 4**. Under delegated powers, the Chief Finance Officer has determined the 2013/14 taxbase to be 125,294 (Band D Equivalents) – the calculation is set out below:

| Council tax base                | Band D Equivalent |                |
|---------------------------------|-------------------|----------------|
|                                 | 2012/13           | 2013/14        |
| Number of properties            | 162,698           | 164,244        |
| Estimated discounts             | (16,709)          | (17,060)       |
| Estimated other changes         | (717)             | (19,612)       |
| <b>Total Relevant Amounts</b>   | <b>145,272</b>    | <b>127,572</b> |
| Estimated non-collection (1.5%) | (2178)            | (2,365)        |
| Contribution in lieu of MoD     | 84                | 87             |
| <b>Council tax base</b>         | <b>143,178</b>    | <b>125,294</b> |

### Council Tax

9.9.3 The Localism Act requires Council approval of the council tax requirement (including formula grant) in place of budget requirement (excluding formula grant). This simplifies existing rules and does not affect council tax.

9.9.4 The calculation of the council tax for Barnet is set out below:

| BUDGET  | 2012/13<br>Original £ | 2012/13<br>Current £ | 2013/14<br>Original £ |
|---|-----------------------|----------------------|-----------------------|
| <b>Total Service Expenditure</b>                | <b>280,857,570</b>    | <b>280,857,570</b>   | <b>292,984,580</b>    |
| Contribution to / (from) Specific Reserves      | 11,140,180            | 11,140,180           | 6,180,701             |
| <b>NET EXPENDITURE</b>                          | <b>291,997,750</b>    | <b>291,997,750</b>   | <b>299,165,281</b>    |
| Other Grants                                    | (41,977,000)          | (41,977,000)         | (31,522,000)          |
| <b>BUDGET REQUIREMENT</b>                       | <b>250,020,750</b>    | <b>250,020,750</b>   | <b>267,643,281</b>    |
| Business rates retention (new 2013/14)          | -                     | -                    | (33,608,000)          |
| Business rates top-up (new 2013/14)             | -                     | -                    | (17,436,000)          |
| <b>BUSINESS RATES TOTAL</b>                     | <b>-</b>              | <b>-</b>             | <b>(51,044,000)</b>   |
| Formula Grant (RSG only 2013/14)                | (90,635,000)          | (90,635,000)         | (77,122,000)          |
| Collection Fund Adjustments                     | -                     | -                    | -                     |
| <b>BARNET'S ELEMENT OF COUNCIL TAX REQ'MENT</b> | <b>159,385,750</b>    | <b>159,385,750</b>   | <b>139,477,281</b>    |
| Council tax base                                | 143,178               | 143,178              | 125,294               |
| <b>Basic Amount of Tax</b>                      | <b>1,113.20</b>       | <b>1,113.20</b>      | <b>1,113.20</b>       |
| <b>GLA Tax</b>                                  | <b>306.72</b>         | <b>306.72</b>        | <b>303.00</b>         |
| <b>Total Council Tax (Band D Equivalent)</b>    | <b>1,419.92</b>       | <b>1,419.92</b>      | <b>1,416.20</b>       |

9.9.5 The GLA precept is £37,964,082 making the total estimated demand on the collection fund and council tax requirement £177,441,363.

|  |                     |
|--|---------------------|
| London Borough of Barnet                 | £139,477,281        |
| Greater London Authority                 | £37,964,082         |
| <b>Total requirement for council tax</b> | <b>£177,441,363</b> |

9.9.6 The Council is required to set levels of council tax for each category of dwelling. As there are no special items within Barnet's or the GLA's budgets affecting parts of the borough, there are only eight amounts of tax to set, as set out below:

| Council Tax Band | Barnet   | GLA    | Aggregate |
|------------------|----------|--------|-----------|
|                  | £        | £      | £         |
| <b>A</b>         | 742.13   | 202.00 | 944.13    |
| <b>B</b>         | 865.82   | 235.67 | 1,101.49  |
| <b>C</b>         | 989.51   | 269.33 | 1,258.84  |
| <b>D</b>         | 1,113.20 | 303.00 | 1,416.20  |
| <b>E</b>         | 1,360.58 | 370.33 | 1,730.91  |
| <b>F</b>         | 1,607.96 | 437.67 | 2,045.63  |
| <b>G</b>         | 1,855.33 | 505.00 | 2,360.33  |
| <b>H</b>         | 2,226.40 | 606.00 | 2,832.40  |

9.9.7 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 benefit.

## 9.10 Capital Programme

9.10.1 The Council's Capital Strategy and current programme are contained within **Appendix 5**. The strategy has been developed to underpin the Corporate Plan, Housing Strategy and Regeneration Strategy. It brings together the key priorities for capital investment, sets out the strategy for use of various funding streams, and for the first time sets out a capital programme over a 5 year horizon.

9.10.2 The current programme (including 2012/13 spend and new approvals) is **£450.232m** from 2012/13 to 2017/18, with £90.5m government grants, £50.0m capital receipts, £134.2m borrowing, £145.8m Major Repairs Allowance (MRA), £9.2m capital reserve and £20.6m "other" funding.

9.10.3 The priorities for capital investment are based around the following themes:

- **People** – the most important stakeholders for Barnet Council are local residents. The capital strategy focuses on capital investment plans that make a real difference to people. The most significant priorities are:
  - Investment in provision of **additional school places** (primary and secondary) **and education facilities** (such as the Pupil Referral Unit and special schools);
  - Investment in **disabled facilities adaptations** to support older people to live at home and maintain their independence.

- **Place** – the capital strategy must underpin the regeneration strategy and deliver its aspirations for Barnet as a place. The most significant priorities within this are:
  - Investment in **roads and pavements**; and
  - Investment in **infrastructure** to support the delivery of regeneration projects.

The **Infrastructure Delivery Plan** (IDP) responds to demographic change in Barnet up to 2026 and drives the Council’s prioritisation of investment in infrastructure. The population is expected to increase by 14% in the next 15 years. The IDP sets out the infrastructure required to support this growth. The high level of projected growth within a number of specific areas has strongly influenced how and where infrastructure such as open spaces, schools, leisure facilities and health centres is to be delivered.

The IDP sets out the funded capital infrastructure projects across Barnet, and where these are delivered by Barnet Council, these are reflected in the Council’s capital programme. The IDP also sets out unfunded infrastructure projects. The Community Infrastructure Levy is one source of funding designed to support these unfunded schemes.

Consideration will be given to using HRA funding (both existing capital funding), on strategic interventions to enable schemes to progress in accordance with the **regeneration strategy**.

- **Organisation** - alongside this, some funding needs to be set aside for essential projects to enable the Council to fulfil its statutory duties and this is reflected in the programme. The most significant priorities within this are:
  - **Health and safety works** on Council owned buildings;
  - **Drainage** works;
  - Investment in **equipment** to support services.

9.10.4 The capital programme is funded from a range of sources: developer contributions, government funding and internal resources (capital receipts and borrowing). The key elements of the funding strategy are as follows:

- The **Community Infrastructure Levy** and the **New Homes Bonus** will be set aside to fund infrastructure requirements in the borough;
- **Borrowing** will be used to support the programme with a limit of £10m per annum which is aligned to the MTFs. Barnet Council’s level of borrowing is currently low, and the strategy is to keep this level below the London average;
- A target of £40m of **capital receipts** underpins the programme; and
- Consideration will be given to using HRA funding (both existing capital funding), on strategic interventions to enable schemes to progress in accordance with the **regeneration strategy**.

## 9.11 Treasury Management Strategy

9.11.1 The Treasury Management Strategy is included at **Appendix 6**. The strategy has been updated to reflect the following:

- The counterparty list and duration of investments has been extended in light of greater economic certainty in both inside the Eurozone and elsewhere in the global economy
  - Amended minimum credit ratings of financial institutions (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns)
  - Extension of maximum investment duration from 1 to 2 years subject to a limit of £40 million for investments of more than one year duration (20% of average cash investments).
  - Extend range of counterparties to include investment with registered providers (registered social landlords), subject to investment advice for each new investment decision)
- The prudential indicators have been updated to reflect the Council's capital programme; and
- The Strategy has been updated to reflect the latest forecasts for interest rates. Base rate is expected to remain at 0.5% for 2013/14, and therefore the assumptions in the budget strategy for interest receipts remain the same.

9.11.2 Cabinet are asked to note the Treasury Management Strategy as set out in **Appendix 6** which will go to Council for approval.

## 9.12 Housing Revenue Account

### Introduction

9.12.1 The Local Government & Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account and prescribed the debits and credits for it. Any surpluses generated from the HRA can be used to support the account when it fails to break even and for any one year a budget can be set such 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 2012 the HRA balances were £7.8m, and forecast to be £16.8m at 31 March 2013.

9.12.2 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.

### HRA Self financing

9.12.3 A national HRA subsidy system was scrapped in April 2012 and replaced with self financing. Under self financing, the Council moved from a system

whereby it paid £11.8m in negative subsidy during 2011/12 to the Treasury, to a position whereby Council rents generated locally are retained by the Council to meet the costs of managing and maintaining Council homes.

9.12.4 The move to self financing in the HRA was achieved by the Council making a payment of £103m to the Treasury; the payment of negative subsidy being replaced with the cost of servicing this additional debt. The HRA settlement also included the calculation of a notional debt figure that was higher than the actual HRA debt held by Barnet, which generated the capacity for additional headroom borrowing of £39m. The following table provides an overview of the settlement as at 1 April 2012:

|   |         |
|---|---------|
| (i) Existing Debt                             | £98.7m  |
| (ii) Debt taken on at settlement date         | £102.6m |
| (iii) Total Debt from April 2012 – (i) + (ii) | £201.3m |
| (iv) Debt Allocation                          | £240m   |
| (v) Headroom- (iv) less (iii)                 | £38.7m  |

9.12.5 It was agreed at Cabinet Resources Committee on 17 July 2012 that up to £5m of the HRA headroom would be made available to support the Grahame Park Regeneration Scheme, and revenue savings £3.5m have been assumed in Adult Social Care Budgets based on additional HRA Headroom expenditure of up to £21m to delivery supported housing, subject to the development of a full business case.

### **HRA Summary & Working Balance**

9.12.6 Total expenditure for 2013/14 is estimated at £64.4m, including charges for financing HRA debt under the self financing proposals and a contribution to the Major Repairs Reserve of £14.5m. The proposed average rent increase of 2.50% is estimated to raise an additional £1.31m.

9.12.7 The HRA for 2013/14 shows a use of balances of £1.2m, after a contribution to Major Repairs Reserve of £14.5m. The estimated HRA balance as at 31 March 2014 is £15.6m.

### **9.13 Robustness of the budget and assurance from Chief Financial Officer**

9.13.1 The Chief Finance Officer is required under section 25 of the Local Government Finance Act 2003 to report to the Council on the robustness of the estimates and adequacy of reserves. The Council's reserves and balances policy has been updated and is presented for approval at **Appendix 9**.



## **Robustness of estimates**

- 9.13.2 The financial planning process for 2013/14 is now the third year where planning has been undertaken in light of the spending review of autumn 2010. This has posed a significant challenge for all authorities to balance budgets with significant reductions in government support. Barnet Council has been committed to developing a 3 year rolling plan to deal with these challenges and this report sets this out.
- 9.13.3 The financial planning process has been managed at officer level through a cross-Council finance and business planning group. This group has overseen the process for financial planning, including medium-term resource projections, the strategic context for the borough, the quantification of new pressures on resources, and the identification of potential budget savings. In recognition of the scale of the challenge facing the Council, the One Barnet transformation programme has been a key element of the process and has been fully integrated into financial planning.
- 9.13.4 Budget monitoring during 2012/13 has highlighted projected overspending in the Environment, Planning and Regeneration directorate for the second year running, and projected overspending in the Commercial directorate specifically in 2012/13. This is due to a number of factors which have been set out in monitoring reports to the Cabinet Resources Committee. It is the view of the Director of Place that the underlying budget position in 2013/14 has now been corrected and will not lead to further concerns within the new Streetscene delivery unit. Services within the commercial directorate (estates, IT, procurement) are expected to transfer to NSCSO in April 2013.
- 9.13.5 The pending Judicial Reviews into the NSCSO and DRS procurement processes represent a significant challenge to the robustness of the Council's budget proposals over the next 3 years. Savings totalling £125m have been guaranteed by the successful contractor, and they underpin a significant element of the MTFs savings for 2013-16, as well as enabling the Council to invest in priority projects around youth unemployment and repairs to roads and pavements. Of the total £54.5m savings included in the three year budget strategy, £6.3m of these will be delivered directly through the transfer of services to Capita, with a further £4.5m of savings expected to be delivered in other services as a result of the NSCSO contract.
- 9.13.6 If legal challenge is brought forward, and is successful, then the Council would have to develop alternative savings proposals to reduce the annual budget by the £12.5m annual equivalent that would have been saved from the NSCSO contract. In addition, the council tax freeze for 2014/15 would need to be revisited and proposals to invest £4m in tackling youth unemployment and repairs to roads and pavements would need to be cancelled. Savings for 2013/14 would need to be funded from reserves while alternative proposals are brought forward.
- 9.13.7 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.

9.13.8 At Member level, the Budget and Performance Scrutiny Committee has considered the financial planning process and made recommendations to the Cabinet. The Cabinet has given extensive informal and formal consideration to the financial planning process, including at formal meetings in July and November 2012.

9.13.9 In the view of the Chief Finance Officer, the proposed budget for 2013/14 is robust.

### **Adequacy of reserves**

9.13.10 The Council's reserves and balances policy is set out at **Appendix 9**. The extreme constraint on the Council's financial resources means that the core budget process is only able to reflect unavoidable increases in Council expenditure. The Council must, however, retain its ability to respond to the most urgent corporate priorities which do not come within this category. The policy therefore now contains provision for a service development reserve.

The policy sets out principles for the consideration of the level of general reserves. These principles have been addressed as follows:

- **Strategic Financial Context:** The continued economic uncertainty within the Eurozone, coupled with the slow growth within the UK economy, represents a significant financial risk to the Council. There is a treasury risk due to the fact that banks around the world are exposed to debt within the Eurozone, and this means that the treasury strategy must continue to be cautious to reflect this risk. Previous budget setting reports have referred to risks in respect of future spending cuts for local government. In December, the government confirmed spending totals for Councils for 2013/14 and have subsequently published spending totals for 2014/15 which have been cut by 2% on top of the previous spending review cuts. The government will bring forward a further spending review to cover the financial year 2015/16 in 2013. Details of these spending plans are not currently known, but it is clear that continued cuts to local government funding will continue in 2015/16 and beyond. For this reason, it is important that the Council is prudent with its use of reserves and contingency to mitigate against future cuts.
- **Robustness of the budget process:** the process that has been undertaken to set the budget has included engagement of officers from service departments throughout the year, regular reporting to Cabinet and scrutiny, 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 risk management:** risk management processes have continued to improve during 2012/13. The corporate risk register is attached at appendix 10, and service and corporate risks have been taken into account in budget-setting and in considering the adequacy of reserves;

- **Effectiveness of budget management:** the Council has robust arrangements for managing budgets and performance. Close attention will continue to be paid to the implementation of agreed savings, with regular reporting to the Cabinet Resources Committee.

9.13.11 Having considered the application of the above principles, the Chief Finance Officer recommends:

- General fund general reserves of a minimum of £15m; and
- Housing revenue account general reserves of a minimum of £3m, increasing to a target minimum level of £5m over the medium term in recognition of planned increased local autonomy.

9.13.12 The latest position in respect of general reserves is as follows:

| General reserve | Mar-12<br>y/end | 2012/13<br>Mvmnt | Mar-13<br>y/end | 2013/14<br>Mvmnt | Mar-14<br>y/end |
|-----------------|-----------------|------------------|-----------------|------------------|-----------------|
|                 | £m              | £m               | £m              | £m               | £m              |
| General fund    | 15.8            | 0.0              | 15.8            | 0.0              | 15.8            |
| HRA             | 7.8             | 9.0              | 16.8            | (1.2)            | 15.6            |

9.13.13 For specific reserves, the key issues are as follows:

- The favourable outcome of the Icelandic banks litigation means that the risk of non-priority status for local authority deposit-holders no longer pertains. Against this, however, the risks associated with the financial environment have significantly increased. The UK economy will not grow at the rate anticipated when the spending review 2010 was conducted, and the prospects are significantly threatened by the potential impact of problems in the eurozone. There is therefore a significant risk that government planned spending on local authorities could be further reduced. The risk reserve, reflecting all financial risks, will therefore be maintained at a level of £15m;
- The key Council mitigation of financial risk in the One Barnet transformation programme. The costs of delivering the programme are funded from the transformation reserve and the reserve has been set at a level to enable a further round of projects;
- The temporary service reserve has been set at a level which balances resource constraint against the need to retain the capacity to respond to corporate priorities.

9.13.14 For specific reserves, the Chief Finance Officer has considered matters relevant to each reserve and advises the following planned levels:

| <b>Specific reserves</b> | <b>Mar-12<br/>y/end</b> | <b>2012/13<br/>Mvmnt</b> | <b>Mar-13<br/>y/end</b> | <b>2013/14<br/>Mvmnt</b> | <b>Mar-14<br/>y/end</b> |
|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
|                          | <b>£m</b>               | <b>£m</b>                | <b>£m</b>               | <b>£m</b>                | <b>£m</b>               |
| Risk                     | 17.1                    | (2.1)                    | 15.0                    | 0.0                      | 15.0                    |
| Transformation           | 15.0                    | (7.3)                    | 7.7                     | (0.9)                    | 6.8                     |
| PFI                      | 3.2                     | (0.4)                    | 2.8                     | 0.0                      | 2.8                     |
| Service Development      | 5.1                     | 0.6                      | 5.7                     | 0.0                      | 5.7                     |
| Infrastructure           | 1.5                     | 3.0                      | 4.5                     | 6.2                      | 10.7                    |
| Service Reserves         | 23.2                    | (23.2)                   | 0                       | 0.0                      | 0                       |
| <b>Council total</b>     | <b>65.1</b>             | <b>(29.4)</b>            | <b>35.7</b>             | <b>5.3</b>               | <b>41.0</b>             |
| Schools reserves         | 15.1                    | 0.0                      | 15.1                    | 0.0                      | 15.1                    |
| <b>Total</b>             | <b>80.2</b>             | <b>(29.4)</b>            | <b>50.8</b>             | <b>5.3</b>               | <b>56.1</b>             |

9.13.15 The Council's arrangements for ensuring financial resilience have been assessed by external auditors during 2012/13 and have been found to be robust.

## **10. LIST OF BACKGROUND PAPERS**

10.1 None.

## Corporate Plan 2013/14 – 2015/16

### Foreword

In an era of unprecedented financial challenges, I am committed to the future success of Barnet and its residents. This Corporate Plan provides a clear direction for the years ahead - recognising that growth, managed responsibly, is the key to the future prosperity of the borough.

In 2010, the Government set out plans to bring down the country's huge deficit by reducing spending on public services by £81 billion up to 2015. For Barnet, this means we need to make savings of £72.5 million between 2011 and 2015. The Government has been clear that this era of austerity will continue into the future, at least until 2018.

Councils up and down the country are facing up to the reality of less money and rising demand, making difficult decisions about spending and services. Here in Barnet, we are well placed to successfully negotiate these challenging times. By planning early and making changes to how we provide services we have avoided 'slash and burn' savings. 90 per cent of our savings are expected to come from efficiency savings, rather than cutting valued front line services. We can deliver excellent services with less money. Our recent survey of residents shows that the majority of Barnet residents feel positive about their local area and think council services are improving.

2013 marks an important year for the council. We are setting a new direction through this Corporate Plan, putting clear emphasis on creating the **right environment for economic growth** across the borough. Alongside a focus on growth, we are clear about the continuing need to **support families and individuals that need it**, whilst doing more to promote independence. Finally, we will continue to work with residents, businesses and local organisations to maintain the unique character of the borough and make this a place **where people want to live, work and study**. We are moving in the right direction, with 88 per cent of residents saying they are satisfied with their local area as a place to live.

Achieving growth and future success means delivering the major growth and regeneration schemes we have planned in areas such as Colindale, Grahame Park, Stonegrove and Dollis Valley - schemes which will not only create new homes and local jobs but will revitalise communities and secure Barnet's future as a place where people continue to want to live and work.

As we prepare for the future, we will continue to be innovative: Finding new ways to encourage families and individuals to look after their health and stay independent; investing £65 million in new primary school places; providing £2 million over the next two years to provide early intervention support to 900 vulnerable or troubled families – finding better solutions for communities and families – and avoiding higher costs to the taxpayer.

This is a tough economic climate for residents and I want the Council to play its part in helping people through this time. That is why we have frozen Council Tax for the past three years and why we will freeze it again for the next two years.

Yours,

Cllr Richard Cornelius, Leader of the Council

## **Barnet today**

### ***An attractive and successful London borough where people want to live***

Barnet is a successful, attractive and enterprising borough. It is a large diverse place, made up of suburban communities as well as 20 town centres and Brent Cross, one of south-east England's largest retail locations.

We are proud that Barnet is seen as an attractive and green borough, with over 200 parks and open spaces. Residents' appreciate the local character of Barnet, with 88 per cent of residents satisfied with their local area as a place to live and satisfaction rising. Barnet is also recognised as a great place to bring up children, with Barnet's schools rated the second best in the country by Ofsted.

### ***A growing and diverse borough***

Barnet is the second most populous borough in London, with 366,400 residents and 146 different languages spoken in our schools. It is a place of growth, with an extra 41,600 people expected to live in the borough over the next five years, with the greatest growth concentrated in the west. To prepare for the challenges this brings, we need to start planning now.

We also expect to see growth at both ends of the age spectrum. By 2018 there will be:

- over 28 per cent more adults over the age of 90; and
- 18 per cent more children aged between five and twelve.

Over the past ten years Barnet has become more diverse – 36 per cent of people now identify themselves as Black or minority ethnic and the fastest growing ethnic group in the borough is the Asian community. Barnet is also home to the country's largest Jewish community, and remains a place where people have positive relationships in the community: 83 per cent of residents agree that people from different backgrounds get on well together in Barnet.

The success of Barnet and importance of London in the national economy bring pressures as well as opportunities, with increasing demand for school places, housing and services – as well as the ongoing challenges of supporting our most vulnerable residents and an aging population.

### ***An enterprising place***

Despite the tough economic climate, households in Barnet remain relatively prosperous, with average household income 5.4 per cent above the London average. The borough is well equipped to support enterprise and growth in the future, with more than 40 per cent of the population educated to degree level.

However, there are variations in different parts of the borough and household incomes have been increasing at a slower rate than the rest of London. There are pockets of deprivation, notably around the western boundary's 'A5 corridor' and in some of our local housing estates. As Barnet continues to grow and evolve in coming years, a key opportunity is to use the regeneration of deprived areas to create employment opportunities and reinvigorate communities. The council will need to continue to work with community groups and other organisations to tackle local problems and improve the lives of residents – learning from the experience of schemes such as Community Coaches.

## **2013: A year of change**

### ***Financial Strategy***

Our plans for the future are underpinned by strong financial management. Our effective management of finances allows us to not only meet current needs but emerge to future challenges. In response to further austerity, we have a three year financial strategy setting out how we will balance the books. Over the next three years the council is proposing savings of around £54.5 million. Of the total savings identified, 90 per cent will be from efficiencies, eight per cent from service reductions and two per cent is related to increases in income.

Despite financial challenges, we are determined to support residents. We are freezing Council Tax and will look for opportunities to invest funding to deliver priorities. Last year residents asked that we support the local economy, particularly finding ways to help young people to get into work. As a result, the council invested an additional £1 million to support young people into employment, as well as an additional £3.5 million in the borough's transport network. This has had positive effects, reducing the overall number of young people who are not in employment and training and improving roads in Barnet.

The council plans to build on this approach by focusing on creating the right environment for growth across the borough. Economic growth, managed in a responsible way, is essential for ensuring that Barnet remains a place where people want to live and where opportunities exist for all. Growth in the local economy also gives the council a means of responding to future financial challenges. With central government funding continuing to reduce, local growth becomes ever more important.

Councils have been delegated more powers and financial control through funding reforms – particularly the localisation of business rates and the New Homes Bonus – the Localism Act and changes to planning powers. These reforms create an incentive to focus on growth and development as a means of helping to mitigate the financial and social challenges we face.

### ***Our approach to change***

There are clear challenges ahead. To play our part in supporting the borough's future success, the council needs to change and adapt. We will use a mixed economy to provide services in the future – always securing the best value for the taxpayer. We will ask fundamental questions: Is the service necessary? What form should it take? Who is best placed to provide this service?

The council can only live within its means and continue to deliver the quality of services that residents expect by providing services in a different way, through new service partnerships and shared service arrangements. This is the year that we put in place contracts for 'back office' services, such as estates management and HR, and customer facing services, such as planning and building control, we are able to create an assured, stable future for these functions whilst at the same time guaranteeing significant savings through more efficient delivery. Our change programme will deliver guaranteed savings of £121 million by the end of the decade, which would otherwise need to be found from children's and adult social care budgets.

### ***Delivering the Plan***

Progress against this Plan will be reported to Cabinet Resources Committee each quarter. This Plan will be underpinned by service plans for key council functions to translate our priorities into actions. Funding will be set aside to deliver the priorities in this Plan and we will complete a 'spending review' to identify areas for future savings and where we can invest to get the best results.

We will continue to keep a tight rein on our finances and provide quarterly reports on how we are managing the business – and our new contracts – to ensure even better value for money for tax payers.

## Our focus for coming years

### Strategic objectives

**Barnet Council will work with local partners to:**

**1. Create the right environment to promote responsible growth, development and success across the borough.**

**2. Support families and individuals that need it – promoting independence, learning and well-being.**

**3. Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.**

This is a year of transition and we have selected a new set of performance targets for 2013/14 to reflect our new direction for the year ahead. We will provide an annual report to demonstrate progress against the delivery of these priorities, outcomes and targets.

**In 2013, we will deliver this, by focussing our efforts on these outcomes:**

- 1: To maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough.
- 2: To maintain the right environment for a strong and diverse local economy.
- 3: To create better life chances for children and young people across the borough.
- 4: To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health.
- 5: To promote a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well.
- 6: To promote family and community well being and encourage engaged, cohesive and safe communities.



## Priority outcomes

### **1: To maintain a well-designed, attractive and accessible place, with sustainable infrastructure across the borough.**

Barnet is renowned as an attractive borough, one of the greenest suburbs in the capital with over 36 per cent of the borough designated as green belt. It is a place where people want to live and work: almost 9 out of 10 Barnet residents are satisfied with their local area. In delivering regeneration, we will ensure that this is not to the detriment of maintaining Barnet as a green borough.

### How we will make this happen

- We will continue to **maintain and improve the borough's parks and green spaces for residents to enjoy**. But we are determined to do more than this. Encouraging residents to use parks and green spaces as a place for physical activity, entertainment, play and to enjoy nature - will help residents to improve their health, well-being and encourage a sense of community.
- A priority for the council is to improve the street cleansing service. We will introduce a number of **measures to increase satisfaction** including a new localised service and introduction of the '**Adopt a Street**' scheme. The scheme **encourages local volunteers** to improve and care for their area by carrying out extra work which will make their neighbourhoods look more attractive.
- The future success of the borough depends on **effective transport networks**. Improving the condition of roads and pavements is a top priority for residents – and for the council. Last year, an £3.5 million was invested in road resurfacing and improvements to pavements. With less funding, we will use a range of options to repair and maintain roads to get the best value for money, and take measures to improve traffic flow and reduce congestion.
- Barnet's waste and recycling service is highly regarded, with 82% of residents satisfied with the service. We have **committed to providing a weekly bin collection**. By adding weekly food waste collection and a mixed recycling collection in October 2013, we aim to make it **easier for residents to recycle, reducing the amount of waste sent to landfill and cutting costs**.

| How we measure success   |
|--|
| <ol style="list-style-type: none"><li>1. Increase residents' satisfaction with their local area as a place to live above 88 per cent</li><li>2. Make safe 90 per cent of intervention level potholes reported by members of the public within 48 hours</li><li>3. Completion of work on all roads and footpaths identified for resurfacing and maintenance work</li><li>4. a) Increase the percentage of household waste sent for reuse, recycling and composting to 40 per cent<br/>b) Maintain overall satisfaction levels for the recycling and refuse service (80 per cent)</li><li>5. Launch 10 new 'Adopt a place' community schemes at different locations within the borough</li><li>6. Increased usage of paid for parking bays and car parks in Town Centres</li></ol> |

**Case study: Local resident groups lead way to improve their local green spaces**

Securing the future of Barnet's green spaces for future generations to enjoy is a responsibility both for the council and for the residents that use them. Local residents' groups, working with the council, are making improvements to their local play spaces. Seven play areas across the borough have benefited from investment of nearly £720,000, of which £220,000 comes directly from the council, with a further £260,000, of grant funding achieved by the Council with resident support. Finally, resident groups such as the Friends of Mill Hill Park and Lyttelton Playing Fields Redevelopment Committee raised over £240,000, which has seen the complete re-development of these two sites. Other play areas that have been improved include Friary Park, Riverside Walk, Windsor Open Space, Princes Park and Edgwarebury Park. Having local residents involved in the improvement of their parks and green spaces adds those extra touches which improve visitor's experiences and encourage them to return.

## 2: To maintain the right environment for a strong and diverse local economy.

As we look to the future, the council is committed to creating the environment for growth in the local economy. Investment in regeneration and development is an essential driver for growth, creating jobs, reinvigorating communities and improving living standards. We have four priorities: regenerating priority areas; improving skills and employment opportunities; engaging with businesses; and providing infrastructure to support growth.

### How we will make this happen

- We will deliver a local Growth Strategy, based upon the delivery of seven major regeneration schemes across the borough, which will **create more than 3,000 new homes and over 450 new jobs over the next 5 years.**
- A successful local business sector will make the greatest contribution to growth in the local area. There are a number of steps that we will take **to better understand and work with local businesses** - working with Middlesex University to analyse opportunities for growth and appointing an employee to spearhead our work with local businesses, kick-starting a set of business engagement events; and creating opportunities for Barnet businesses through our supply chain.
- A highly **skilled workforce** is an essential building block for growth and one of the key assets in the borough. We have already invested £1 million in a targeted package of support to unemployed 16 - 24 year olds, creating 325 workplace and training opportunities, and will continue to support local young people into work.
- The future success of the borough and its residents will be based on having a skilled workforce. We benefit from having Barnet and Southgate College and Middlesex University in the borough, and we will work with these providers to **encourage young people to learn and gain skills for future employment.**

### How we measure success

7. Increasing business satisfaction with Barnet as a place to do business to 50 per cent
8. Support business survival in the borough, with 1.5 per cent increase in new businesses created and decrease of net loss by 50 units
9. a) Reduce the number of households placed in emergency accommodation to 500  
b) Reduce the average length of time spent by households in short-term nightly purchased accommodation to 26 week
10. Complete 184 new affordable homes
11. Bring 100 empty properties back into use

### Case study: Stonegrove/Spur Grove – investing in regeneration, supporting employment

The £230m regeneration of the Stonegrove and Spur Road Estates in Edgware will create a revitalised, attractive and vibrant new neighbourhood. The original mix of low and medium rise blocks, constructed in the 1950s and 60s is being replaced with nearly 1,000 new homes. The development will provide for a range of household sizes to appeal to single occupiers, couples and families.

Just under a third of the new homes built will be for rent, half for private sale, and the remainder will be for low-cost home ownership. Alongside the regeneration of housing, there will be new roads, improvements to local play facilities and investment in community facilities with a new community hall, church and church buildings. The new community facilities will be run by a Community Trust. This project also gives the opportunity to make a tangible investment in skills and employment opportunities. The work is now well advanced, with completion scheduled for 2018.

### 3: To create better life chances for children and young people across the borough

We believe all children and young people in Barnet should have the opportunity to achieve their potential, to enable them to become successful adults. We are determined that the significant achievements of Barnet's young people continue in the future. We will invest £65 million to provide additional primary school places to meet demand and provide targeted support for young people who most need it.

#### How we will make this happen

- Working with families during the early years of a child's life can have a positive impact for the future. We aim to identify and support vulnerable families, using children's centres to **support those with the greatest need and work preventatively with those on the cusp of becoming vulnerable** or at risk.
- Our schools are among the best in the country. To give our children the best start, we will invest £65 million sites over the next few years to provide additional permanent primary school places, aiming to **expand successful schools to encourage future success** and build new schools in areas of growth - such as a building a new primary school in Colindale.
- Our aim is to **identify young people who are most at risk of not achieving their potential** early on - including those with special educational needs or disabilities, and vulnerable children including those in care. We will offer **personalised support** to enable these young people to achieve better life outcomes and close the gap with their peers.
- Ensuring that children who enter the care system are given **a good start in life**, with a stable home and access to education and other support is vital. We will work to speed up the adoption process and ensure that they have a stable, loving home as early as possible—increasing the proportion that are adopted or placed permanently through another route.

#### How we measure success

12. Barnet is among the top 10 per cent nationally for children achieving the early learning goals (as measured by the average point score)
13. Increase the number of early years places available for eligible two year olds from 350 to 700
14. Increase the percentage of children making two levels progress of in English between Key Stages 1 and 2 to 93 per cent
15. Barnet is among the top 10 per cent nationally for young people achieving 5 or more GCSEs A\*-C (or equivalent) including English and Maths
16. Reduce the average time between a child entering care and moving in with its adoptive family, for children who have been adopted to 639 days (based on 2010 – 2013 rolling data)

#### **4: To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health**

Our strong belief is that preventing ill health is better than cure. We want all Barnet's residents to live as healthily and independently as possible. That's why we are taking steps to give every child in Barnet the best possible start to live a healthy life, and encouraging people to take responsibility for their own health and wellbeing. We recognise that when people need extra support or treatment, it helps them to get back up on their feet as soon as possible.

##### **How we will make this happen**

- Getting children and young families off to make a **good start towards a healthy life** by focussing on the health needs of women during pregnancy, working with more schools to help children stay fit and finding new ways to reduce risk-taking by children - such as drinking and smoking.
- To support greater wellbeing in the community, we will work with the local NHS particularly with Barnet Clinical Commissioning Group and Barnet, Enfield and Haringey Mental Health Trust to improve mental health services and reduce the stigma of mental illness.
- We will work with the local NHS to encourage people to **keep well** by increasing the availability of health and lifestyle checks for those aged between 40 and 74, and promoting better use of green space and leisure facilities to increase physical activity.
- We will also work with our local NHS partners to develop new integrated responses to the health and social care needs of residents through the delivery of the Health and Wellbeing strategy and the health and social care integration programme.

| <b>How we measure success</b>  |
|--|
| <p><b>17.</b> Reducing the prevalence of smoking in pregnancy rate to below the London average</p> <p><b>18.</b> Reduce the rate of obesity in children, specifically:</p> <ul style="list-style-type: none"><li>a) Reducing the proportion of children aged 4 to 5 classified as overweight or obese to 20.5 per cent (remaining below the London average)</li><li>b) Reducing the proportion of children aged 10 to 11 classified as overweight or obese to 33 per cent (London average)</li></ul> <p><b>19.</b> Increase the number of eligible people who receive an NHS Health Check to 7,200</p> <p><b>20.</b> Increase the percentage of schoolchildren who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum</p> |

## 5: To promote a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well

We will support people in Barnet to live longer and healthier lives, and to live independently in their own homes. We will encourage an active, healthy and independent population, both for younger adults of working age who receive support, and to take steps to support residents to age well. There are a number of things we will do to achieve this, for instance making sure a wide range of information about social care and health services is easily available, giving users of services choice and control over the decisions that affect them, working closely with the NHS, and supporting those with a caring role when they need it most.

### How we will make this happen

- Supporting people over 55 and their families to live full, independent lives by giving easy **access to information** about healthy behaviours and lifestyles. We will do this by making sure you can always find the information you need when you contact the council by phone, using the internet, or face to face, and by targeting the information we give so that it is received by the people who need it most.
- Our aim is to give all users of adult social care services **choice and control** over the services they receive and the decisions that affect them. We will do this by supporting eligible users of social care services to take **personal budgets**, and to spend them in a way that benefits them the most, enabling them to decide the support they receive.
- We recognise that older people may find themselves being admitted to hospital, and that when this happens it is important that **health and social care services work together seamlessly to help them to recover**. We will work with the NHS to ensure that more support is in place early on, to prevent admissions where possible, and that the right support is in place when people leave hospital to enable people to return to their own homes.
- We recognise the vital importance of **carers** in supporting older people to retain their independence, health and dignity. We will continue to work with the Carers Forum to ensure that their views inform the decisions we make, and will provide advice, information and tailored support to the carers to enable them to sustain their caring role.

### How we measure success

21. Increasing the percentage of eligible adult social care customers receiving self-directed support to 75 per cent
22. Increasing the percentage (and number) of eligible adult social care customers receiving direct payments to 30% (1075 customers)
23. Increasing the number of carers who receive support services (TBC)
24. Reducing the number of younger adults (18 - 64) in residential and nursing care by 5 per cent each year
25. Increasing the percentage of older people (65 and over) who were still at home 91 days after discharge from hospital into re-enablement/rehabilitation services to 88.5 per cent
26. Increasing overall satisfaction of people who use adult social care services with their care and support by one per cent (to 89 per cent, based on 2010/11 baseline)
27. Increasing the percentage of adult social care service users who say their services have made them feel safe and secure by two per cent (to 62 per cent based on 2010/11 baseline)

## 6: To promote family and community well-being and encourage engaged, cohesive and safe communities

Barnet is a place where people get on together. 83 per cent of residents agree that people from different backgrounds get on well together and more than half of Barnet's residents think that people pull together to improve their local area. Our aim is to build on the strong sense of community in Barnet to encourage wellbeing, to act early when giving support to the most vulnerable or at risk. We will continue to support the work of the police to address anti-social behaviour and crime.

### How we will make this happen

- We want children and young people who are in care or have special educational needs to have a **positive transition into adulthood**. We will put the appropriate support in place to help them to achieve their potential and live lives that are as independent and fulfilling as possible. If young people need to transition to Adult Social Care in their journey to adulthood, we will work with families and communities to make this as seamless and positive as possible.
- Children and young people who have chaotic lives at home need early support to help minimise the impact of these difficulties on their development and later lives. **Identifying and addressing needs at an early stage can help to prevent the later difficulties** that they may experience. We aim to ensure that children and young people receive the right support at the right time, so that problems are addressed well before reaching 'crisis point'. Working with our partners we will intervene early with families and individuals to **prevent bigger problems** later in life including crime, anti-social behaviour, truancy and unemployment.
- One of our most important duties is to **safeguard children and vulnerable adults at risk of harm**. We will continue to strengthen our approach to safeguarding, working with the Police to fully implement a multi-agency safeguarding hub.
- We recognise that in order to break the cycle of crime additional specialist support may be needed to help some offenders reintegrate into society. The successful **'Community Coaches' volunteer scheme** will be expanded to include working with individuals who are at risk of criminal behaviour, supporting them to achieve their goals and reduce their drain on public resources.

### How we measure success

28. Improving outcomes among vulnerable groups:
  - a. Reduce the achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 2 (Level 4+ in both English & Maths) to 14 per cent
  - b. Increase the percentage of looked after children making the expected level of progress in English between Key Stages 2 and 4, to 35 per cent
29. Decrease the number of referrals to social care to 368 per 10,000 of the under 18 population
30. Reduce the number of first time entrants to the Youth Justice System aged 10 to 17
31. Increase in community confidence in police and the local authority dealing with crime and anti-social behaviour (target 78 per cent)
32. Achieve a reduction in adult reoffending for those under probation supervision or young offenders in education, training or employment (to 7.5 per cent)
33. Reduced level of domestic burglary to 24.80 per 1,000 households

## **Equalities**

The council's Constitution sets out how we operate as an organisation, how decisions are made and the procedures that need to be followed to ensure it is efficient, transparent and accountable to local people.

In last year's Corporate Plan, the council published its Strategic Equalities Objective, which reflects what is enshrined in our constitution and embedded across the culture of the organisation. Our commitment is that citizens will be treated equally, with understanding and respect; have equal opportunity with other citizens; and receive quality services provided to Best Value principles. This is our strategic objective.

We will monitor how we are performing against this objective, through a variety of measures including community cohesion and reducing disadvantage.

Our approach to equalities is embedded in the decisions we make as an organisation and is fully integrated into the council's business planning process. The council's established approach to assessing the equality analysis of outcomes to changes in policy functions and activities supports this. We have adopted a model of disability that recognises that people are often disabled by their environment and other people's attitudes. Policies, functions and activities are analysed for their equalities impacts and risks. These considerations will provide factual and specific information and assess the impact of those facts on different groups of people, including disabled people.

To collect this evidence the council has designed two equality assessment processes: An internally-facing employee Equality Impact Assessment (EIA) which assesses the personnel changes of the organisation at key milestones; and an externally-facing EIA focusing on the Council as a deliverer/provider of public services.

To collect this evidence the council has designed two equality assessment processes:

- An internally-facing employee Equality Impact Assessment (EIA) which assesses the personnel changes of the organisation at key milestones; and
- An externally-facing EIA focusing on the council as a service provider and asks the following questions:

- are there differential service outcomes for different communities? If so, what measures will be put in place to re-dress these differences?
- what will be the impact of the delivery of any proposed new services or functions on satisfaction ratings amongst different groups of residents?
- does the proposal enhance Barnet's reputation as a good place to work and live?
- will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?
- how will the new proposals enable the council to promote good relations between different communities?
- how have residents with different needs been consulted on the anticipated impact of this proposal?
- how have any comments influenced the final proposal?



## Appendix 2

# Finance and Business Plan Consultation

## Consultation Findings

February 2013  
Insight  
Chief Executive's Service

# SECTION 1

## Executive Summary

## 1. EXECUTIVE SUMMARY

This report sets out the detailed findings from the Finance and Business Plan consultation, 2013/14-2015/16.

### 1.1 Summary of approach to Finance and Business Plan Consultation

This year there has been three phases of consultation:

- Phase One (October 2012 – November 2012): Residents' Perception Survey
- Phase Two (November 2012 – January 2013): Corporate Plan Consultation
- Phase Three: Finance and Business Plan Consultation (including 2013/14 budget) (October 2012 – February 2013).

A summary of the results from the Residents' Perception Survey and the earlier Sense of Place Consultation can be found in appendices A and B of this paper.

This report sets out the detailed findings from phase two and three, which consisted of four strands:

- Survey on the Council's Finance and Business plan (including proposed budget) for 2013/14 - 2015/16
- Survey on proposals for the 2013/14 Corporate Plan and our priorities for coming years
- Face to Face consultative event with members of the Citizens' Panel and Youth Panel
- Service-specific consultations where the council has indicated there will cuts to services in the budget proposals for 2013/14.

A summary of the key findings are outlined on the following pages. The results will be used to inform the development of next year's Corporate Plan and final decisions on the council's Finance and Business Plan and Budget for 2013/14 - 2015/16. The full findings can be found under sections 2, 3, 4 and 5 of this report.

## 1.2 OVERALL SUMMARY OF KEY FINDINGS

### 1.2.1 FINANCE AND BUSINESS PLAN BUDGET CONSULTATION

The Finance and Business Plan Consultation (including 2013/14 budget) consisted of an online survey. Paper copies were made available on request. Views were also sought through a Citizens' Panel face to face consultative event.

#### Summary of key findings

The survey received a total response of 50 surveys (not all respondents completed all questions). Due to the small sample size the overall findings **should be treated with caution**. In total 61 residents attended the consultative event, 51 members from the Citizens' Panel and 10 members from the Barnet Youth Board, representing a cross-section of the community.

#### ➤ Council's overall approach to budget

The survey showed that in terms of the council's overall approach to budget savings i.e. the proportion of efficiency savings, increased income and service reductions - views were mixed and there was no clear majority. However, respondents were more likely to say the level of efficiency savings that the council had identified were about right; that the increased income that had been identified should be more and that the reduction to services should be less.

Residents at the Citizens' Panel consultative event indicated that in terms of generating income, increased charges - or additional services which could generate income - to businesses for Planning or environmental services were popular. Delegates felt that council assets, including libraries, could be used more effectively to generate income. In terms of reduction to services, it was felt that some could be merged with other boroughs, but that services for the most vulnerable should be protected.

#### ➤ Priorities the council has identified within each service area

The majority of survey respondents agreed with most of the service priorities the council has identified for each service budget.

However, there were some priorities where opinion was slightly more mixed. These were: Adults and Communities priorities: **'Giving residents greater choice'** and **'Educating the need for traditional social care services'**; Children's Services: **'Provide better for less through intelligent commissioning of services'**; and Streetscene Services: **'Implementation of a new waste collection method and updated waste strategy for refuse and recycling services'** and **'Continuing with the development of better local relationships with residents around initiatives such as Adopt a Street and Pledgebank'**.

Respondents were still more likely to agree with these priorities compared to disagree but a greater proportion said they were either neutral or did not know. Frequently cited reasons for disagreement were lack of information; it was unclear how the priorities were going to be achieved, and concern that the priorities might lead to more cuts.

### ➤ **Services priorities ranked as most important**

Respondents were asked to rank the service priorities in order of importance. The full rankings are given under the detailed findings. In brief, a common theme from Adults and Communities and Children's Services was that respondents were more likely to rank priorities as the most important where they focused on early intervention and protecting the vulnerable.

Within Streetscene Services, the priorities that were seen as the most important were those that focused on keeping the service in-house and delivering locally based services.

### ➤ **General consultation**

Respondents were asked if they had any additional comments about specific savings proposed that were marked as 'general consultation' under each service area. Very few comments were received – these are reported under section 2 of this report.

### ➤ **Level of Council Tax**

In terms of the level of Council Tax, views were mixed and there was no clear majority in terms of the relationship between keeping Council Tax low compared to protecting council services. 39% (11 out of 28 respondents) suggested they would want Council Tax levels to increase above inflation. Remaining respondents suggested they would want Council Tax levels to increase at or below inflation, or in some instances be frozen or cut.

➤ Delegates from the Citizens' Panel face to face event were generally opposed to raising Council Tax explaining their concern was with reference to the wider economic context; as salaries are frozen and the cost of living is going up a Council Tax freeze seems like an increase in real terms. However, some questioned the freeze while seeing services cut but would only accept an increase in Council Tax if the council could demonstrate services were performing or had driven savings down. Some delegates suggested that it was better to increase income from other sources (e.g. Planning Services) than increasing Council Tax.

### ➤ **Savings from the council's change programme**

Respondents were invited to comment on the proposed efficiency savings derived from the intended outsourcing of back office services and customer services (NSCSO), and the procurement of a provider of development and regulatory services (DRS).

Very few responses to these questions were received. In summary most of the comments referred to lack of information, some opposition to outsourcing, concern that the outsourced services would not generate the savings quoted, and reference to the timing of this consultation.

## 1.2.2 SERVICE SPECIFIC CONSULTATIONS, FINANCE AND BUSINESS PLAN 2012/13

In summary, the following service consultations have been or are being consulted on as part of Finance and Business Plan Consultation 2013/14 - 2015/16:

- **Children's Services** have now completed the following consultations: Youth Services, Sports Development, Substance Misuse and Fees and Charges. The service consulted with their users and other stakeholders extensively with face to face engagement and an online survey. The general public were also given an opportunity to have their say and register their interest. Full details can be found at <http://engage.barnet.gov.uk> (past consultations). Children's Services will also be consulting on transport for children in care and children with special educational needs later on in the year.
- **EPR** has consulted on the new fees and charges increases. Full details can be found on <http://engage.barnet.gov.uk> (past consultations).
- **Streetscene services** will also be consulting on savings resulting from alternative service provision, trade waste commercial approach to the service later on in the year.

### 1.2.2.1 Children's Services' Consultations:

#### Children's Service Budget Consultation - summary of key findings:

In total, 42 people responded to the online Children's Service budget consultation survey. 60 children and young people responded to the young people's survey online and in hard copy. The budget proposals have also been discussed at a number of meetings, including with young people. The key points that emerged were:

- Regarding youth services, the £458,000 reduction in the original saving proposed was positively received. However, significant concerns over ongoing reductions to youth services were expressed. It was strongly felt that frontline workers should be protected from reductions. Concerns were also expressed about the impact of ceasing dedicated mediation support for homeless young people and the ability of targeted youth workers to carry out this work. Most agreed that Council support for careers information, advice and guidance could be reduced
- In relation to the sports development proposal, many respondents referred to the Olympic Games, and the importance of continuing that legacy with further investment in sport. Respondents were particularly mindful of the impact of obesity on children and young people in Barnet and keen to ensure that sports development was aligned with public health services
- The majority of respondents neither agreed nor disagreed with the substance misuse proposal. Some respondents highly valued the current specialist provision and hoped that the best aspects of this would be retained
- Young people felt especially strongly that the growing population of children and young people in the borough meant that expenditure should be reduced in other areas.

## 1.2.2.2 Environment, Planning and Regeneration (EPR) Service Consultation

### Summary of key findings:

#### Fees and Charges

Notifications in respect of annual increases to fees and charges across a range of EPR services were the subject of public consultation from 8 November to 21 December 2012. This enabled all residents to be made aware of the proposed increase in charges and their applicable date of change and invites feedback and comments prior to implementation.

Ten responses were received in the publicised consultation mailbox in connection with allotment rents that were the subject of last year's consultation and already approved for implementation.

The majority of these related to comments on the allotment rent charges due to be implemented on 1 April 2013.

The general sentiment of the majority of respondents (in the allotments community) was that the approved fee increase due to be implemented for 2013/2014 is unjustified, unfair and potentially detrimental to the council's reputation. They called for the allotment rent increases to be abandoned or delayed to ensure that the existing project to transition allotment sites to self management is fully completed.

However, the council is confident that the majority of the allotment portfolio will have transferred by April 2013.

Full details can be found in Section 4 of this report.

## 1.2.3 CORPORATE PLAN CONSULTATION FINDINGS

The Corporate Plan Consultation comprised of an online survey (paper copies were made available on request). Views were also sought on the Corporate Plan priorities through a Citizens' Panel consultative event.

### Summary of key findings

The survey received a total response of 39 (not all respondents completed all questions). Due to the small sample size the overall findings **should be treated with caution**. In total 61 residents attended the consultative event, 51 members from the Citizens' Panel and 10 members from the Barnet Youth Board, representing a cross-section of the community.

- The strategic objectives received responses in agreement from the vast majority of respondents, with around eight out of 10 respondents agreeing with them. The most popular objective was **'Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work, and study'** with 87% agreeing with this priority.
- When respondents were asked to rank the objectives in order of importance respondents saw them all of almost equal importance. **'Creating the right**

environment to promote responsible growth, development and success across the borough' was ranked as the most important, closely followed by 'Supporting families and individuals that need it – promoting independence, learning and well-being'. 'Improving the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study' was ranked last. Interestingly, the latter got the greatest level of agreement but when respondents were asked to consider which objective was the most important respondents indicated this objective as the least important.

- Again the vast majority of respondents agreed with the priority outcomes included in the Corporate Plan, and there was little difference between levels of agreement.
- When respondents were asked to rank the priorities in order of importance respondents saw them all of almost equal importance. This was reflected the Citizens' Panel consultative event, where delegates felt all the priorities were positive and found it very difficult to rank them.
- In the survey the priorities that were ranked highest were: **'To maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough'** and **'To maintain the right environment for a strong and diverse local economy'**. However, delegates at the face to face event recognised the importance of the preventative aspect of some priorities, and that others would follow as outcomes if these were put in place. The two priorities which were consistently rated highly at the event were **'To create better life chances, starting from pregnancy, for children and young people across the borough'** and **'To maintain the right environment for a strong and diverse local economy'**.
- Some respondents expressed confusion over the language of the objectives and priorities, and felt that they needed more explanation over the type of actions which would result from them. This was reiterated in the face to face Citizens' Panel event. There were suggestions for rewording: "To promote **and educate** a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well". Another suggestion was "to **create and promote** the right environment for a strong and diverse local economy".

### 1.2.4 CONSULTATION TO UNDERSTAND WHAT'S DRIVING RESIDENTS' PERCEPTIONS

The consultative event held with members of Barnet's Citizens' Panel and Youth Board members was also used to explore what is driving residents' perceptions.

#### Summary of key findings

In total 61 residents attended the consultative event, 51 members from the London Borough of Barnet's Citizens' Panel and 10 members from the Youth Board, representing a cross-section of the community.



### ➤ **Delegates' top concerns**

Delegates identified a wide range of concerns, but there were four in particular which received attention. These were: **'quality of health service'**, **'not enough being done for young people'**, **'crime'**, and **'lack of affordable housing'**.

Working with local health partners, better police visibility, more activities for teenagers, and housing suited to local demographics were positive actions that delegates felt could tackle these concerns. There was a consensus that dirty streets and the state of roads and pavements needed effective intervention from the council, alongside better behaviour from residents.

### ➤ **Key drivers of the top concerns identified in the Residents' Perception Survey**

#### **Crime – top concern in the Residents' Perception Survey**

Delegates felt this was mainly driven by concern for burglaries, followed by assault, muggings, stabbings, and also teenagers hanging around the streets. Delegates made a number of suggestions of actions which could be taken to address this. The top priority for these was greater police visibility on the streets, followed by more CCTV in high crime areas (though CCTV should not replace active police presence); "naming and shaming" petty criminals in the local media, encouraging a more organised role for neighbourhood watch groups, ensuring criminals pay back to the community via full fines and community service, improving street lighting where it is too dim. There was a feeling that some areas were neglected, for example Burnt Oak.

#### **Conditions of roads and pavements - second top concern in the Residents' Perception Survey**

Potholes received the most attention, with delegates on one table agreeing that the North Circular was one of the worst areas. Delegates reported that there were good repair rates for potholes but that they were not of good quality and damage soon re-appeared. It was suggested that better follow-up and checks on quality of contractors was needed. Uneven pavements were a concern for older people. Supply of grit was also seen as a driver for concern of conditions of roads and pavements and it was felt that more grit supplies should be provided by the council so that they are accessible for all properties. With regard to the parking system there was a suggestion for a more convenient "tap and park" system, like the oyster card system where parkers are able tap in and tap out.

#### **Concern for level of Council Tax - third top concern in Residents' Perception Survey**

Delegates from the Citizens' Panel event were generally opposed to raising Council Tax explaining their concern with reference to the wider economic context; as salaries are frozen and the cost of living is going up a freeze seems like an increase in real terms. However, some questioned the freeze while seeing services cut but would only accept an increase in Council Tax if the council could demonstrate services were performing or had driven savings down. It was suggested that it was better to increase income from other sources (e.g. Planning Services) than increasing Council Tax.

## ➤ Resident Perception Survey - increasing concerns

### Litter and dirty streets

Some delegates pointed out that the fact that street cleaning teams were not as visible as they have been may have coloured perceptions. But others felt that this was becoming more of a problem, because of a combination of more littering and less effort? to tackle it by the council.

Practical concerns raised were that there were not enough bins on streets and that they weren't emptied often enough (also that litter around bins was not being properly removed). Flytipping and dog mess were seen as specific growing problems. There was a good level of support for the notion of personal responsibility, and neighbourhoods working together to improve areas. There were also suggestions to increase awareness of litter problems through schools, and rewarding good practice. The idea of better regulation and policing was floated with comparisons to systems on the continent. There were some positive comments about cleanliness and refuse collection, specifically on Barnet High Street.

### Increasing concern: affordable housing

Affordability of renting and buying in the borough was a concern for many; rents and purchase prices were said to be too high and it was felt this led to overcrowding. "Saturation" and "over population" were felt to be partly to blame, and delegates recognised that there had been a big rise in homelessness. But some delegates also put this down to high private sector rental rates, a number mentioned houses standing empty and lack of social housing. The growth in one to two bedroom flats for commuters was highlighted, which affects the type of neighbourhood – a reference was made to the new developments at Colindale, viewed by some as too small and too expensive. It was felt that certain areas were becoming unaffordable and some delegates thought it necessary to ensure diversity in the housing supply; a good mix of affordable housing, rent to buy, and renting. It was also felt that was not enough communication between services and organisations who served vulnerable people and who really needed affordable housing.

## ➤ Other Residents' Perception measures

### Fear of crime at night

There was a widespread fear of crime at night and reasons for concern are outlined above. This was seen as more of a policing than a council issue, but it was felt that authorities should invest in crime prevention. Neighbourhood Watch groups were raised and spoken of positively. At various times in the event delegates made the connection between crime and young people not having enough to do. Lack of affordable housing was also referenced in this context.

### Engagement

In terms of practical methods of communication by the council it was felt that these had improved a lot in the last few years, particularly the website, although Barnet First was described as an advert for the council by some.

There was a split between the younger and most of the elderly delegates who didn't use the internet and preferred to use local newspapers and advertising to find out about the council. Delegates liked the idea of ward specific news, as well as more

localised consultation. The idea for an e-newsletter or feed from the website that residents could use to subscribe to the specific feeds which interested them was raised at one table.

### **“My council doesn’t do enough for people like me”**

Delegates felt the reason why the survey showed an increase in this perception was that many residents are above the threshold of having to require services from the council i.e. in terms of income or the fact that they do not require all of the council services. The council should make it clear what its role is so that expectations are managed. But delegates also made it clear that they wanted resources to support those most in need rather than waste scarce resources on those who can support themselves. Support for young people was an issue that arose in a number of different instances during the Citizen’s Panel event, and at this point some of the young delegates voiced concerns that there are not enough facilities or services on offer to them.

### ➤ **Generating income; efficiency savings; increasing revenue or reduction to services**

Delegates explored three ways in which the council could make savings or generate income: efficiency savings, increasing revenue or better use of assets, and a reduction to services. Plenty of ideas of how to generate revenue were offered, and charges to businesses or new services for Planning or environmental services were uniformly popular. Delegates felt that council assets, including libraries, could be used more effectively to generate income. In terms of reduction to services it was felt that some could be merged with other boroughs, but that services for the most vulnerable should be protected. There was no consensus on bin collections.

## **SECTION 2**

### **Finance and Business Plan**

### **Budget General Survey**

### **Detailed Findings**

## 2. FINANCE AND BUSINESS PLAN ONLINE SURVEY DETAILED FINDINGS

The Finance and Business Plan Consultation consisted of an online survey. Paper copies were also available on request.

### 2.1 Technical details and method

#### 2.1.1 In summary, the survey was administered as follows:

The Finance and Business Plan consultation opened on 8 November 2012 and closed on 31 January 2013.

- The consultation was published on the council's engage space <http://engage.barnet.gov.uk/> which gave detailed background information about the council budget, the challenges the council faces and a hyper link to the full Cabinet Report on the Council Business Plan for 2013/14 – 2015/16
- Collection of respondents' views were fed back via an on line self-completion survey
- Hard copies were also available on request
- Fieldwork for the survey took place between 8 November 2012 and 31 January 2013.

The survey was widely promoted through an insert in the November edition of Barnet First, in libraries, via Community Barnet's newsletter, the Youth Board and various service user groups and partner mailing lists.

Also, as part of the council's statutory duty to consult with National Non Domestic Rate payers (NNDR or Business Rate payers), letters were sent out to all the council's NNDR payers inviting them to take part in the survey.

#### 2.1.2 Questionnaire design

The online survey was developed to ascertain residents' views on the council's Finance and Business Plan for 2013/14 - 2015/16 and the budget, particularly in terms of:

- The savings and the priorities identified within each service area
- Those areas marked as 'general consultation' in the Council's Business Plan
- Views on the relationship between keeping Council Tax low compared to protecting council services.

In order to enable in-depth segmentation analysis on the results the following types of question were also included:

- Open ended questions, where respondents were asked if they disagreed with any priority to say why, and for comments on those budget savings which were marked as 'general consultation' in the detailed service savings of the Council's Business Plan and Budget for 2013/14-15/16, and then for any other comments on the savings
- Key demographic questions.<sup>1</sup>

Throughout the survey, hyperlinks were provided at each question to the relevant sections of the Council's Finance and Business Plan 2013/14 - 2015/16.

<sup>1</sup> Inline with the council's equality policy and the 2010 Equalities Act

### 2.1.3 Response to the survey

The survey received a total response of 50 responses. Due to the small sample size the **overall findings should be treated with caution** and no segmentation analysis has been conducted between demographic sub groups.

### 2.1.4 Calculating and reporting on results

The results are based on “valid responses” only, i.e. all those providing an answer (this may or may not be the same as the total sample) unless otherwise specified. The base size may therefore vary from question to question depending on the extent of non - response.

### 2.1.5 Sample profile

The table below shows the profile of those who responded to the survey. Fifty responses were received in total, and those who replied were mainly residents (26%). Despite writing to all NNDR payers, only six responses were received from businesses based in Barnet. Due to the small sample size demographic information has not been produced for this report, although it was collected.

| Type                                  | Number    | %           |
|---------------------------------------|-----------|-------------|
| Resident                              | 13        | 26%         |
| Business                              | 3         | 6%          |
| Resident and business based in Barnet | 3         | 6%          |
| Public sector organisation            | 0         | 0%          |
| Voluntary/community organisation      | 0         | 0%          |
| Other                                 | 1         | 2%          |
| Not answered                          | 30        | 60%         |
| <b>Total</b>                          | <b>50</b> | <b>100%</b> |

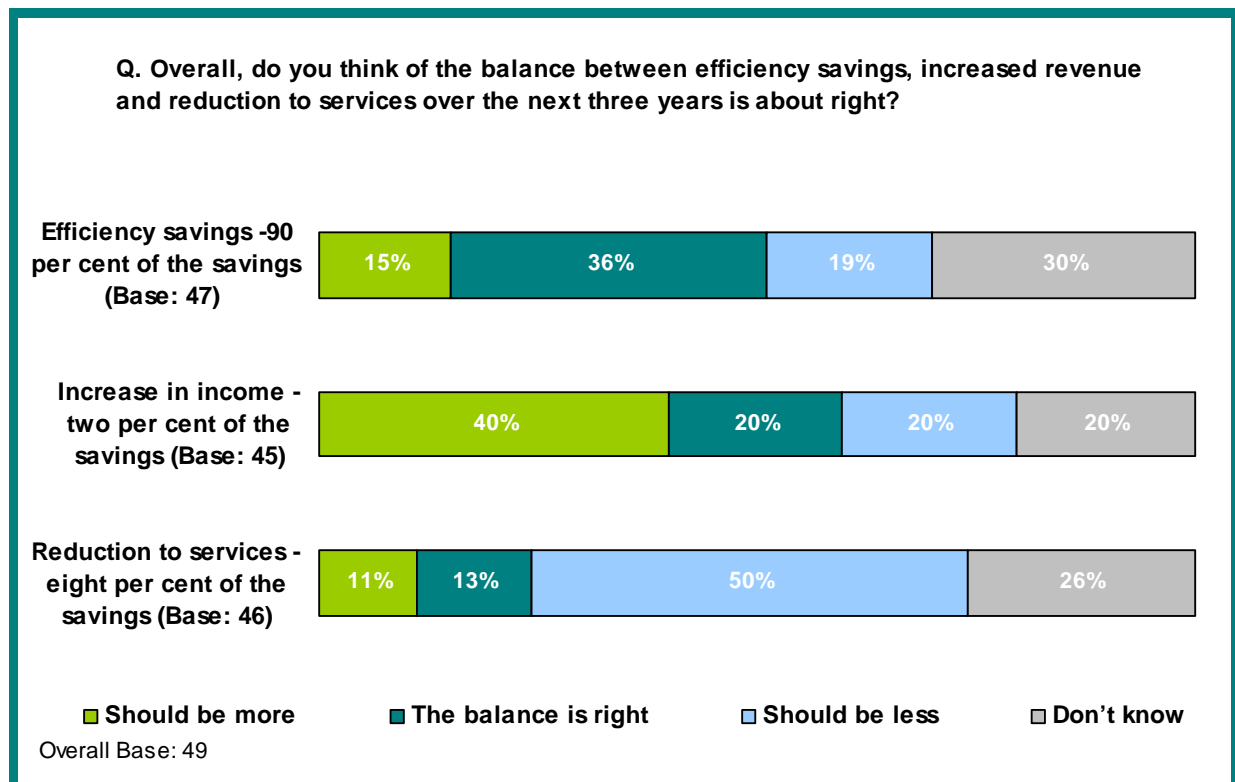
## 2.2 Results in detail:

### 2.2.1 Council's overall approach to budget

Respondents were asked what they thought of the council's approach to its business plan in terms of efficiency savings, increased revenue and reductions to services.

The chart below shows that in terms of the council's overall approach to its business plan, views were mixed and there was no clear majority. However, respondents were more likely to say the efficiency savings the council had identified were about right, that the increased income that had been identified should be more and that the reduction to services should be less.

**Chart 1: Response to the council's overall approach to budget**



- **Efficiency savings (90 per cent of the savings):**  
Just over one third of respondents (36%, 17 out of 47) felt that the efficiency savings were about right, 15% (seven out of 47) said they should be more and 19% (nine out of 47) said they should be less. Just under a third of respondents (30%, 14 out of 47) said they did not know.
- **Increase in income (two per cent of the savings):**  
Two fifths of respondents (40%, 18 out of 45 respondents) felt the council should generate more income. Opinion was then evenly split with a fifth of respondents (20%, nine out of 45 respondents) saying the balance was about right, it should be less, or saying they did not know.
- **Reduction to services (eight per cent of the savings):**

There was a much more negative view to the reduction of services made, with half of the respondents (50%, 23 out of 46) saying there should be less of a reduction to services. A small number of respondents (11%, five out of 46) said they felt the reduction should be more, 13% (six out of 46) felt it was about right. However, just over a quarter (26% of respondents, 12 out of 46 respondents) said they did not know.

## 2.3 Service area questions

A series of questions were asked on each service area. Each set of questions asked how much respondents agreed or disagreed with the priorities identified within each service area, which priorities were most important to them, and if they had any other comments to make on the specific service savings proposal marked as 'general' consultation in the Finance and Business Plan.

### 2.3.2 Priorities the council has identified within each service area

In terms of individual service area priorities, the majority of respondents agreed with most of the priorities the council has identified for the budget within each service area.

However, there were exceptions where opinion was slightly more mixed: Adults and Communities priorities: **'Giving residents greater choice'** and **'Educating the need for traditional social care services'**; Children's Services **'Provide better for less through intelligent commissioning of services'** and StreetScene Services: **'Implementation of a new waste collection method and updated waste strategy for refuse and recycling services'** and **'Continuing with the development of better local relationships with residents around initiatives such as Adopt a Street and Pledgebank.'**

However, a much greater proportion of respondents agreed with these priorities rather than disagreed and respondents were more likely to say they were either neutral or did not know than disagree. The most frequently cited reasons for disagreement were lack of information, it was unclear how the priorities were going to be achieved, and concern that the priorities might lead to more cuts.

Respondents were also asked to rank the service priorities in order of importance and these are outlined in the detailed findings for services to consider.

The detailed findings are outlined below.

### 2.3.3 Adults and Communities

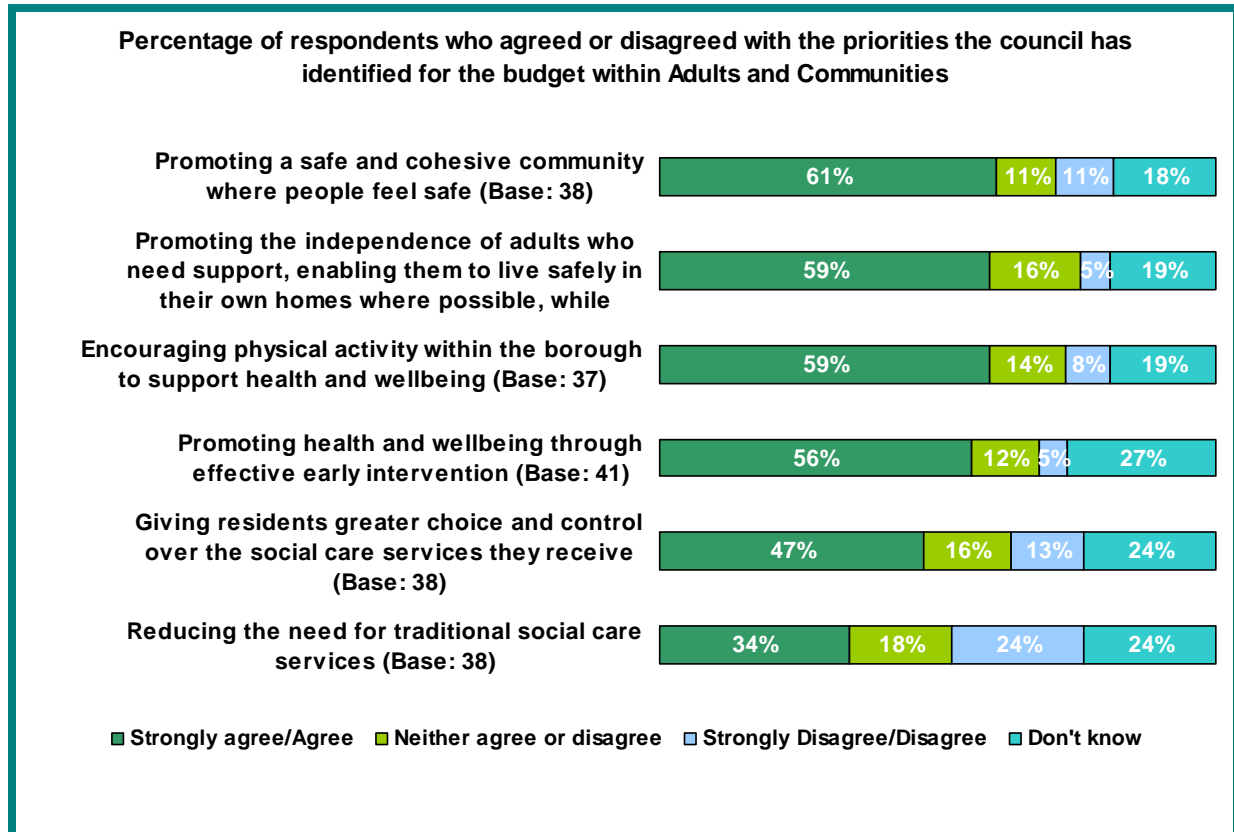
The chart over the page shows that the majority of respondents agreed with the priorities: **'Promoting a safe and cohesive community where people feel safe'**, **'Promoting the independence of adults who need support'**, **'Encouraging physical activity within the borough'** and **'Promoting health and wellbeing'**. Respondents who did not indicate they 'agreed' with these priorities were much more likely to say they were neutral or did not know rather than disagree.

Just under half of respondents agreed with the priority **'Giving residents greater choice'** and just over a third agreed with **'Reducing the need for traditional social care services'**. However respondents who did not indicate they 'agreed' with these



priorities were again much more likely to say they were neutral or did not know rather than disagree.

**Chart 2: Percentage of respondents who agreed or disagreed with Adults and Communities Priorities**



- **Promoting a safe and cohesive community where people feel safe** received the highest level of agreement with 61% (23 out of 38 respondents) agreeing with this priority. In contrast only 11% (4 out of 38 respondents) disagreed with this priority, with a greater proportion indicating they were either neutral (11%, 4 out of 38) or they did not know (18%, 7 out of 38 respondents).
- **Promoting the independence of adults who need support** and **Encouraging physical activity within the borough** received similar levels of agreement with 59% (22 out of 37 respondents) agreeing with this priority. Again only a small proportion disagreed with these priorities (5% and 8% respectively), with a much greater proportion saying they were neutral or they did not know.
- **Promoting health and wellbeing**, 56% (23 out of 41 respondents) agreed with this priority. As before a minority disagreed (12%, five out of 41), with a much greater proportion saying they were neutral or did not know.
- **Giving residents greater choice and control over the social care services they receive** received agreement from just less than half of respondents (47%, 18 out of 38 respondents). However, a minority of respondents (13%, five out of 38 respondents)

disagreed with this priority, with a greater proportion being neutral or saying they did not know.

- **Reducing the need for traditional social care services** received agreement from just over a third of respondents (34%, 13 out of 38 respondents). Just under a quarter (24%, nine out of 38 respondents) disagreed with this priority and as before a greater proportion neither agreed nor disagreed or said they did not know (18%, seven respondents and 24%, nine respondents respectively).

### 2.3.4 Reasons for disagreement with Adults and Communities service priorities

- Respondents who disagreed with any of the priorities for Adults and Communities services were asked to say why. A small number of respondents (10) provided reasons for their disagreement.

The most frequently cited reason was mainly in the context of not knowing how the council was going to achieve the priorities and hence they felt vague, aspirational and meaningless.

A small number of survey respondents questioned the intention of some of the priorities, such as enabling people to live in their own home and questioned whether this meant reducing funding or increased charges. One respondent questioned the priority '**Encourage physical activity**' arguing that the council already has high leisure charges and expressed concern over potential service reduction.

A small number of respondents registered concern with the priority of '**Reducing the need for traditional social care services**' reflecting that there will always be a need for traditional social care.

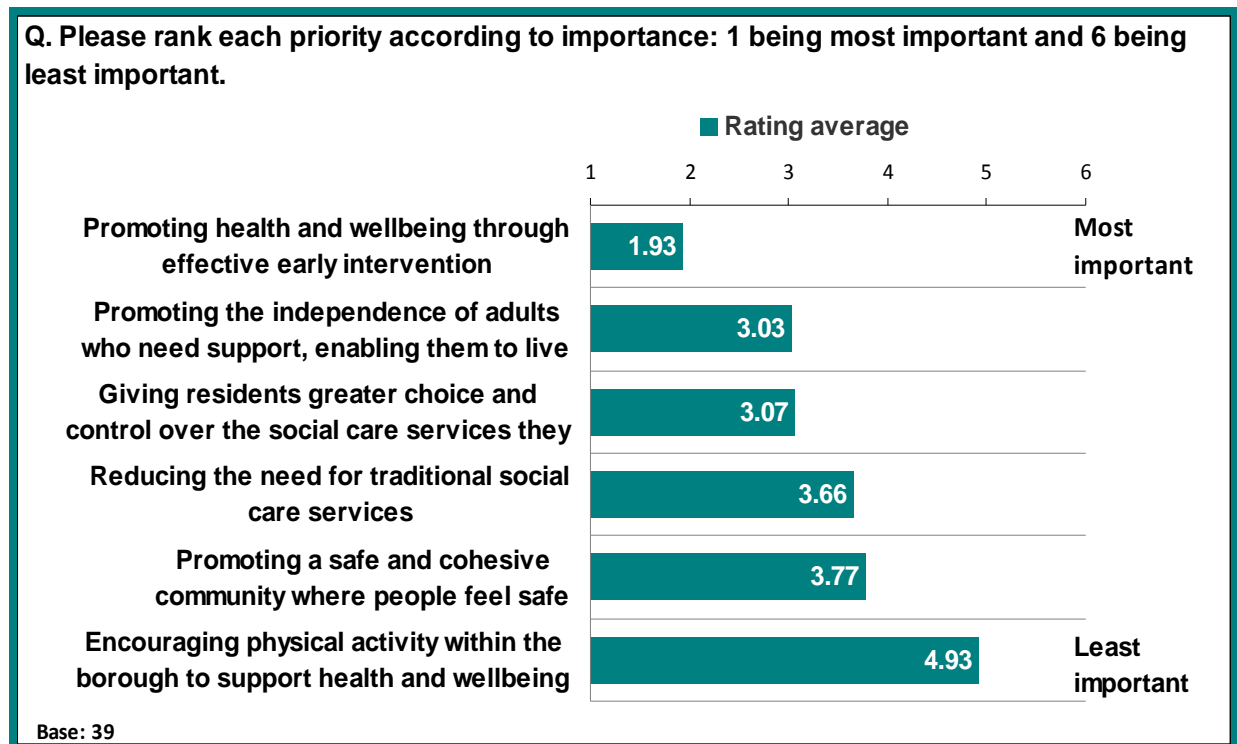
### 2.4 Ranking Adults and Communities' service priorities

Respondents were asked to rank which of the Adults and Communities service priorities were most important to them.

The chart over the page shows that respondents ranked '**Promoting health and wellbeing**' as the most important priority followed by '**Promoting the independence of adults**' and '**Giving residents greater choice and control over the social care services they receive**'.

In fourth and fifth place respectively was '**Reducing the need for traditional social care services**' and '**Promoting a safe and cohesive community where people feel safe**'. '**Encouraging physical activity within the borough to support health and wellbeing**' was seen as the least important priority.

Chart 3: Ranking of the Adults and Communities service priorities



**2.4.1 Comments on those savings marked as ‘general consultation’ in Adults and Communities service consultation**

Respondents were asked if they had any additional comments about specific savings proposed that are marked as ‘general consultation’ within the Adults and Communities budget. There were four responses to this question:

- E4/E1: one respondent felt that the 'New Social Work Model' is likely to be a good thing but high risk and should be subject to consultation with carers and recipients.
- E9/E5: respondent questioned what this means, suggesting greater pressure on volunteers and families.
- E10/E6: efficiency is fine, concern over underinvestment in skills or decrease in quality of services is not.
- E1: concern that a saving showed a high impact on service delivery customer satisfaction and equalities impact.

## 2.4.2 Additional comments on the savings identified in Adults and Communities

Respondents were asked if they had any additional comments to make about the savings that have been identified in Adults and Communities. Three respondents felt there was not enough detail in tables; one respondent suggested the council should pay less housing benefits in order to achieve saving, another respondent suggested encouraging neighbours and the community to help.

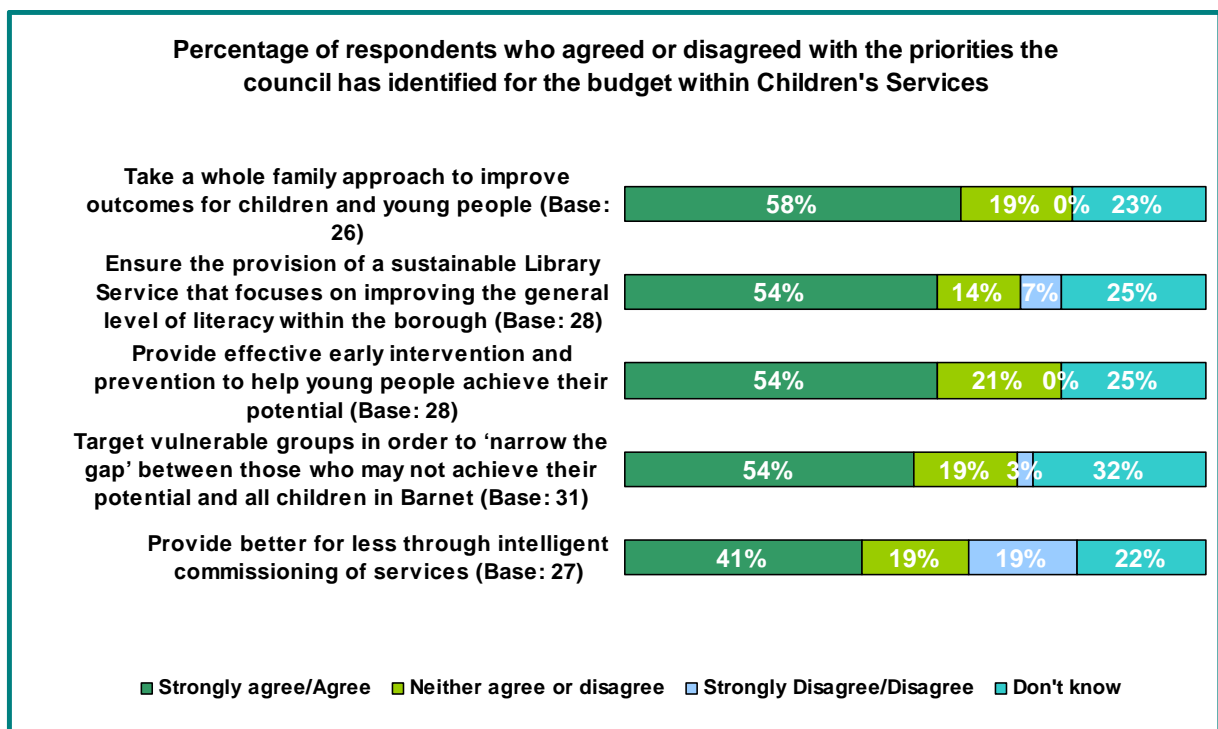
## 2.5 Children’s Services

### 2.5.1 Children’s Services priorities

The chart below shows that the majority of respondents agreed with four out of five of the priorities the council has identified for the budget within Children’s Services. Only a small proportion disagreed with these priorities, with a much greater proportion saying they were either neutral or did not know.

Although only two fifths agreed with the fifth priority ‘**Provide better for less through intelligent commissioning of services**’, only a small proportion disagreed, with a much greater proportion saying they were either neutral or did not know.

**Chart 4: Percentage of respondents who agreed or disagreed with Children’s Services Priorities**



➤ The priority ‘**Take a whole family approach to improve outcomes for children and young people**’ received the highest level of agreement with 58% (15 out of 26 respondents) agreeing. No respondents disagreed with this priority and instead were either neutral (19%, five out of 26) or said they did not know (23%, six out of 26 respondents).

- **‘Ensure the provision of a sustainable Library Service’, ‘Provide effective early intervention and prevention to help young people achieve their potential’** and **‘Target vulnerable groups in order to ‘narrow the gap’** received similar levels of agreement, with 54% of respondents agreeing with these priorities. Again only a small proportion disagreed with these priorities with a much greater proportion saying they were either neutral or did not know.
- **‘Provide better for less through intelligent commissioning of services’** received the lowest level of agreement with 41% (11 out of 27 respondents) agreeing with this priority. However, as before, a minority disagreed (19%, five out of 27) with a much greater proportion saying they were neutral or did not know.

### 2.5.2 Reasons for disagreement with Children’s Services priorities

Where respondents disagreed with a priority, they were given the opportunity to provide a reason. Six respondents answered this question citing various reasons:

- Three respondents referred to the priority **‘Ensure the provision of a sustainable Library Service that focuses on improving the general level of literacy’** as a reason for their disagreement. Particular reference was made to the recent closure of libraries, and interim spend on the Arts Depot. One respondent said that libraries should not focus on promoting literacy and that they have a much wider role to play.
- Three respondents felt that some of the priorities could mean cuts, through commissioning or withdrawing services to those at risk.
- Two respondents also felt there was not enough information or clarity on the council’s plans to deliver the priorities.
- One respondent cited their reason for their disagreement was because they were against the council’s change programme (One Barnet) and their perception of the reputation of Capita in delivering contracts.

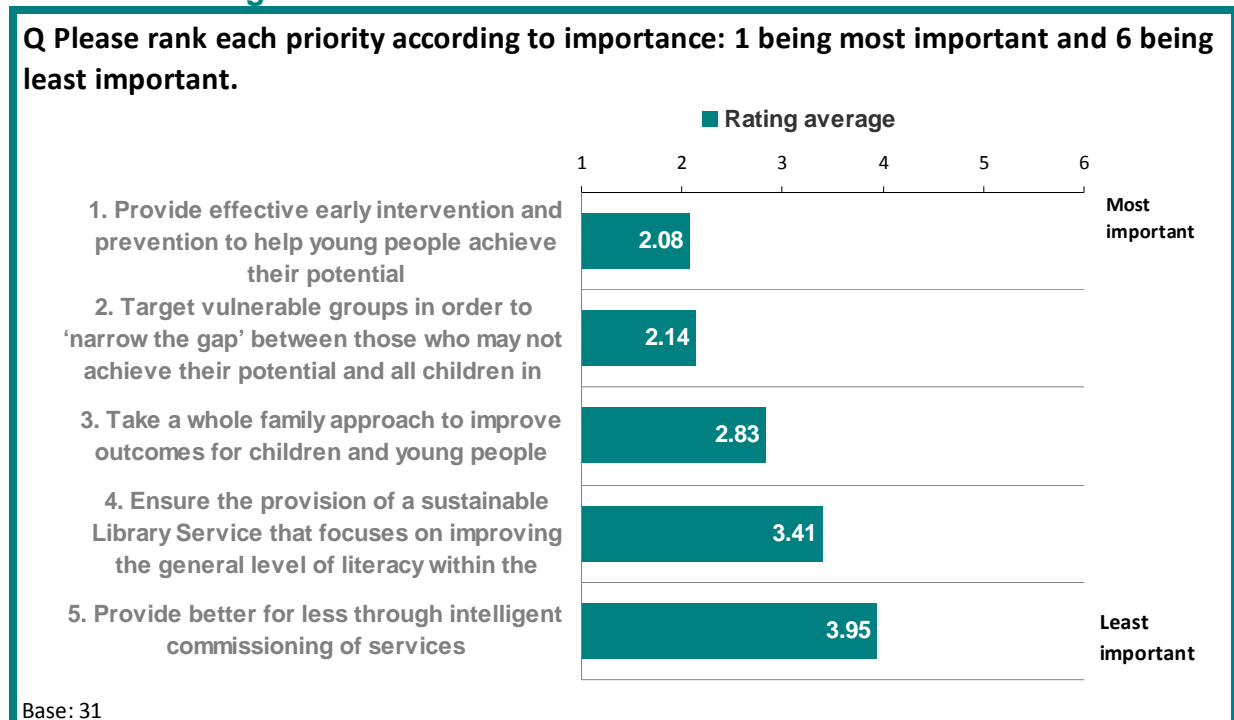
### 2.5.3 Ranking Children’s Services priorities

Respondents were asked to rank which Children’s Services priorities were most important to them.

The chart below shows that respondents ranked ‘**Provide effective early intervention and prevention to help young people achieve their potential**’ as the most important priority, closely followed by ‘**Target vulnerable groups in order to ‘narrow the gap’ between those who may not achieve their potential and all children in Barnet**’ and ‘**Take a whole family approach to improve outcomes for children and young people**’.

In fourth and fifth place respectively were ‘**Ensure the provision of a sustainable Library Service that focuses on improving the general level of literacy within the borough**’ and ‘**Provide better for less through intelligent commissioning of services**’.

**Chart 5: Ranking of Children’s Services Priorities**



### 2.5.4 Comments on those savings marked as ‘general consultation’ in Children’s Services

Respondents were asked if they had any additional comments about specific savings proposed that are marked as ‘general consultation’ within the Children’s Services budget.

One respondent made comments on the specific general savings within the Children’s Services budget, opposing six of the savings and adding that it is important not to put cost savings ahead of quality. The savings that the respondent opposed are outlined below:

- E2: Communications, performance, workforce, development, commissioning and administration, the table says 'detrimental impact'
- E4/E5: Reducing learning and reducing training
- E6: The aim should be 'no disruption' to any children, not just to some
- E16: Children's needs are often different from those of adults, so it would be essential that expert staff are consulted
- E17: Concern this could result in reduced focus on the specific needs of client groups.

### 2.5.5 Additional comments on the savings identified in Children's Services

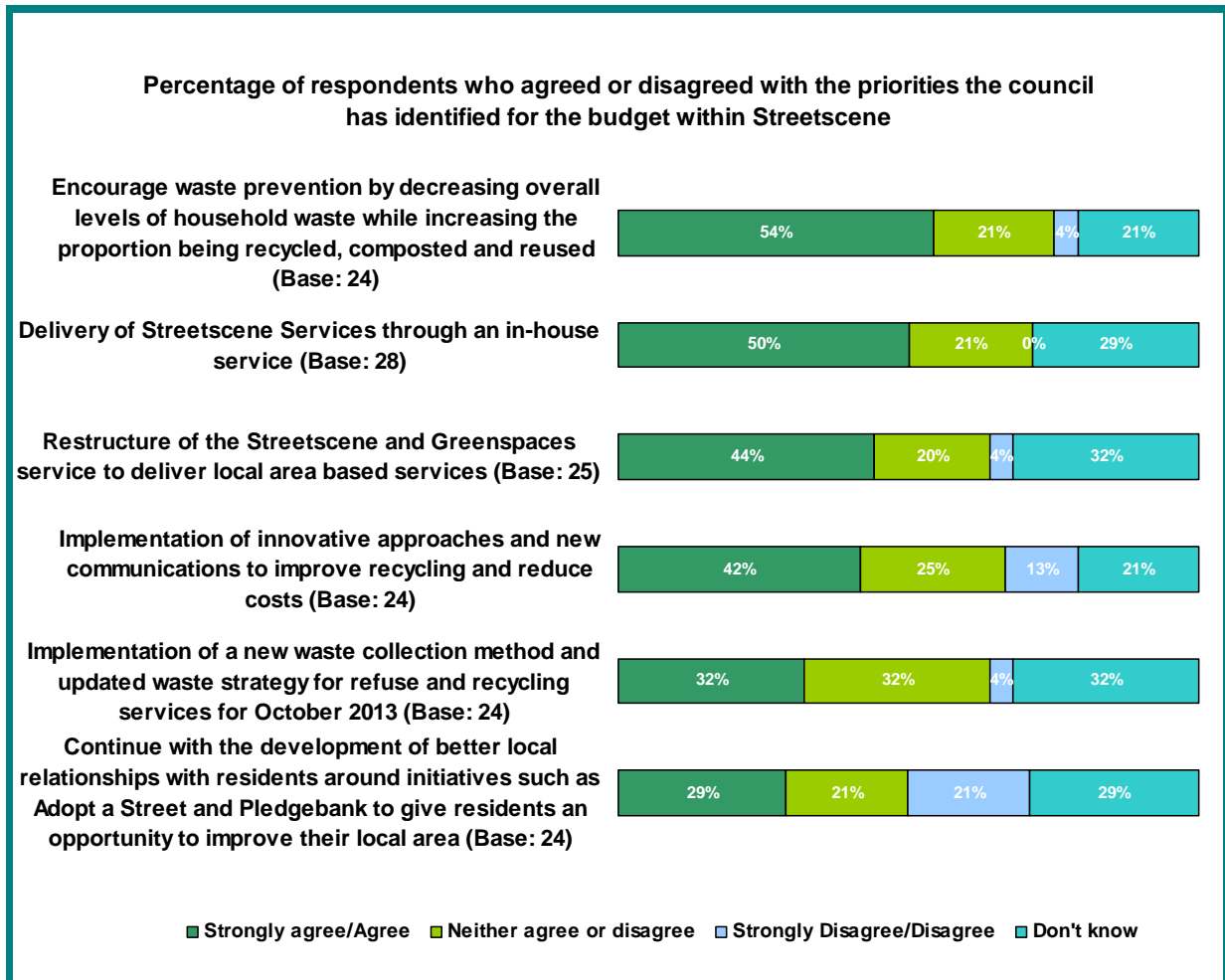
Respondents were asked if they had any additional comments to make about the savings that have been identified in Children's Services.

- One respondent raised concerns on reducing training, whether families are capable of managing the 'personalised budget' and what happens if the budget is not adequate. Another respondent said that they did not agree with the wording in the priorities, and suggested the council asks people what their priorities are.

## 2.6 Streetscene Services

2.6.1 The chart below shows opinion was more mixed towards Streetscene priorities.

**Chart 6: Percentage of respondents who agreed or disagreed with Streetscene Services priorities**



- The priority **‘Encourage waste prevention by decreasing overall levels of household waste while increasing the proportion being recycled, composted and reused’** received the highest level of agreement with 54% (13 out of 24 respondents) agreeing with this priority. Only a small minority disagreed with this priority (4%, one out of 24 respondents) with a much greater proportion either neutral (21%, five out of 24) or saying they did not know (21%, five out of 24 respondents).
- Half of the respondents (50%, 14 out 28) agreed with the priority of **‘Delivery of Streetscene Services through an in-house service’**. No respondents disagreed with this priority, with the majority saying they neither agreed or disagreed (21%, six respondents) or that they did not know (29%, eight respondents).
- Just over two fifths agreed with the priority **‘Restructure of the Streetscene and Greenspaces service to deliver local area based services’** (44%, 11 respondents) and the **‘Implementation of innovative approaches and new communications to**



**improve recycling and reduce costs**' (42%, 10 respondents). Again, only a small proportion disagreed with these priorities with a much greater proportion saying they were either neutral or did not know.

- Around a third (32%) agreed with the **'Implementation of a new waste collection method and updated waste strategy for refuse and recycling services'**. Conversely only 4% (one respondent) disagreed with this priority, with the majority of respondents saying they were either neutral (32%) or did not know (32%).
- The priority **'Continue with the development of better local relationships with residents around initiatives such as Adopt a Street and Pledgebank to give residents an opportunity to improve their local area'** received the lowest level of agreement with just under a third of respondents agreeing with this priority (29%, 10 out of 24 respondents). Five respondents (21%) disagreed with this priority but again a much greater proportion said that they were neutral (21%, five respondents) or that they did not know (29%, seven respondents).

### 2.6.2 Reasons for disagreement with Streetscene priorities

Where respondents disagreed with a priority, they were offered the opportunity to provide a reason. Four respondents gave reasons for their disagreement.

Three respondents disagreed because they felt there was not enough detail on what the priorities meant and how they would be implemented. There was particular concern on the lack of information in the proposed new waste strategy. Two respondents mentioned Adopt a Street and cited disagreement with this because they felt the council was trying to pass on its responsibility to residents. One respondent said that they did not agree with the wording of the priorities, so ranking them was difficult.

### 2.6.3 Ranking Streetscene Services priorities

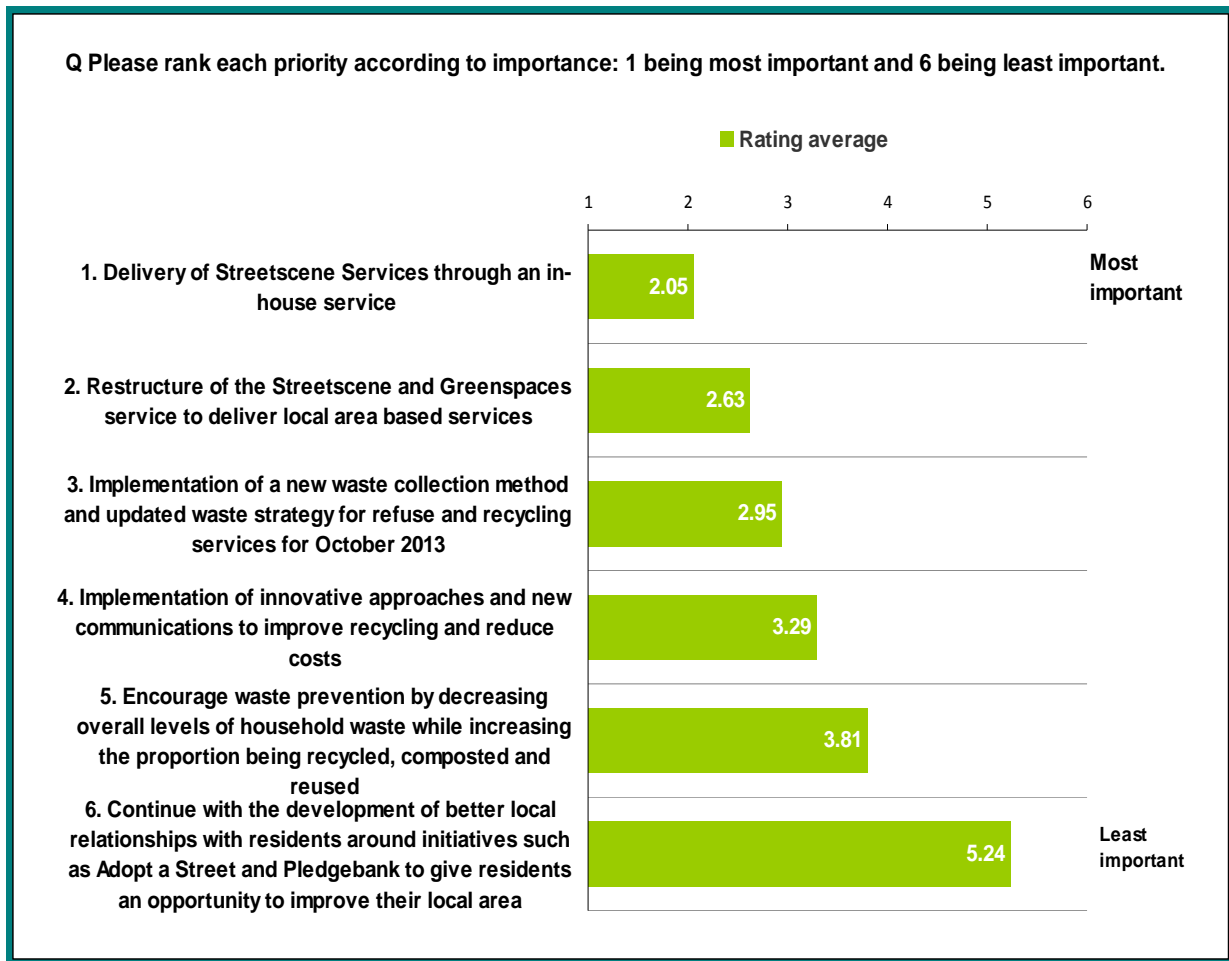
Respondents were asked to rank the Streetscene Services priorities in order of importance.

The chart over the page shows that respondents ranked the priority **'Delivery of Streetscene Services through an in-house service'** as most important, closely followed by the **'Restructure of the Streetscene and Greenspaces service to deliver locally area based services'** and **'Implementation of a new waste collection method and updated waste strategy for refuse and recycling services'**.

In fourth and fifth place respectively were **'Implementation of innovative approaches and new communications to improve recycling and reduce costs'** and **'Encourage waste prevention by decreasing overall levels of household waste while increasing the proportion being recycled, composted and reused'**.

The priority that was ranked last was **'Continue with the development of better local relationships with residents around initiatives such as Adopt a Street and Pledgebank to give residents an opportunity to improve their local area'**.

Chart 7: Ranking of Streetscene Services Priorities



**2.6.4 Comments on those savings marked as ‘general consultation’ on Streetscene Services budget**

Respondents were asked if they had any additional comments about specific savings proposed that were marked as ‘general consultation’ within the Streetscene budget. Three respondents answered this question.

One respondent was concerned with E1-E5 Waste management and concern that this may be outsourced (although the council’s saving table does not state this). Two respondents mentioned E10, Alternative Parking Delivery, disputing service quality, stating that NSL provision is inefficient and that the council should have consulted before changing the parking service. Another respondent assumed that the council is privatising services such as local public parks, green areas and rubbish collection, and questioned why this is needed.

**2.6.5 Additional comments on the savings identified in Streetscene Services**

Respondents were asked if they had any additional comments to make about the savings that had been identified in the Streetscene Services. One respondent suggested offering residents recycling measures that do not impact on finances of

residents. Another respondent felt it was cheaper to remain in-house and another again mentioned the lack of detail on how things will operate.

## 2.7 Generating revenue

Respondents were asked for their views on the relationship between keeping Council Tax low compared to protecting council services. Respondents were presented with a list of options and asked to tick their preferred option.

Views were mixed in response to this question and were drawn from a very small sample. The table below shows:

- The preferred option for over a third, (39%, 11 out of 28 respondents) was to **increase Council Tax above future inflation so that the current front line services can be provided at a higher quality.**
- A quarter (25%, seven out of 28) said they would prefer to **continue with the current rate of Council Tax with the risk of providing front line services at a lower quality.**
- Almost a fifth (18%, five out of 28 respondents) indicated they would prefer to see an **increase in Council Tax to be in line with future inflation so the current level of front line services can be provided at the same quality.**
- Only one respondent said they would prefer **a cut in Council Tax with reduced front line services and provide the remainder at a lower quality.**

**Table 2: Preferred option for Council Tax**

| Option  | %           | Base      |
|---|-------------|-----------|
| <b>Increase Council Tax above future inflation so that the current front line services can be provided at a higher quality</b>                  | 39%         | 11        |
| <b>Continue with the current rate of Council Tax with the risk of providing front line services at a lower quality</b>                          | 25%         | 7         |
| <b>Increase Council Tax to be in-line with future inflation so the current level of front line services can be provided at the same quality</b> | 18%         | 5         |
| <b>Cut Council Tax, reduce front line services and lower their quality</b>  | 4%          | 1         |
| <b>Don't know/Not sure</b>  | 14%         | 4         |
| <b>Total</b>  | <b>100%</b> | <b>28</b> |

Respondents were asked to give reasons for their answer and seven respondents chose to do so.

Of the reasons given, four were from respondents who indicated they wanted an **increase in Council Tax above future inflation so that the current front line**

**services can be provided at a higher quality.** Reasons cited for their choice were: to make up the shortfall to protect the vulnerable, provide good services and provide a civilised level of services, improving service quality and the limited impact a small increase would have on Council Tax bill payers as a 2.5% could bring in £4 million a year.

One respondent said the reason they chose **an increase in Council Tax to be in-line with future inflation so the current level of front line services can be provided at the same quality** because they felt a freeze will require cuts of £4 million, when other public services are making cuts or charging more.

Two respondents cited the reason why they chose **continue with the current rate of Council Tax with the risk of providing front line services at a lower quality** was that they felt the economy should be allowed to improve before increasing Council Tax and another said salaries are not increasing at the rate of inflation.

## 2.8 The local community

Respondents were asked for suggestions on how the local community could help the council save money. Ten respondents answered this question and comments were varied.

One respondent felt the local community could take on more responsibility itself in some areas. Another response was that the community could set up, run and decide local parking rates and issues, set up and run local libraries, as well as being representatives on local high street and town centre committees. One respondent suggested adopting a zero tolerance approach on all anti-social behaviour.

Other comments were not on what the local community could do but what the council could do. One respondent said give people back their voice at forums, two comments argued that the council should cut senior management and consultants.

Other responses referred to the One Barnet programme; one respondent said stop the One Barnet programme, others felt it was important to keep jobs in the borough and to use local providers.

Two respondents mentioned councillors, reducing the number of councillors or for them to be more efficient.

## 2.9 Commissioning Group and Assurance Group

Respondents were asked if they had any additional comments about specific savings within the Commissioning Groups and Assurance Group.

Eight respondents answered this question and comments were again varied:

- Two respondents felt they did not have enough information about the Commissioning Groups and Assurance Groups in that the savings were unclear
- One respondent said reduce councillor and senior managers' pay in the borough and expressed concerns over local democracy

- Another respondent reiterated that they were opposed to the One Barnet Programme.
- One respondent asked why there were no questions on parking or CCTV.

### 2.10 Development and Regulatory Services (DRS)

Respondents were asked if they had any additional comments about proposed efficiency savings from Development and Regulatory Savings.

Six respondents answered this question. Four respondents were opposed to outsourcing, citing the council should make the in-house service better by investing in it and managing it properly and keeping jobs in Barnet. There was another comment that a private sector company would not be able to minimise costs without also reducing services. One respondent expressed concerns over the experience of other private sector contracts such as South West One.

Three respondents said there was too little information to make judgement, citing there was no information on efficiency in the tables, the council's ability to change course when using a contract or the impact on staff or services; and one respondent said there had been no consultation on this outsourcing.

### 2.11 New Support and Customer Service Organisation (NSCSO)

Respondents were asked if they had any additional comments about proposed efficiency savings from the New Support and Customer Service Organisation.

Five respondents answered this question. All respondents questioned the savings being made and felt they were arbitrary and just a forecast. There was particular reference to the contract and that this should be published with detailed analysis. One respondent referenced the budget tables published, citing losses over the next three years, and questioned what would happen after this. Reference was also made to the direct impact on the public and the number of job losses in the borough, another respondent felt outsourcing was not good for services, democracy and residents. Two respondents felt that consultation now was retrospective and too late.

### 2.12 Legal Services

Respondents were asked if they had any additional comments about proposed efficiency savings in the new Legal Service.

Five respondents answered this question. One respondent felt this was a better approach than outsourcing. However, another respondent questioned whether the new service will actually make the savings and still deliver quality, and wanted to know whether accountability and the lines of responsibility were clear. Another respondent said they had already had a poor experience of the new legal service. One respondent said no efficiency savings had been identified in the published tables which did not match other information published. Lastly one respondent felt that this consultation was too late.

### 2.13 The Barnet Group

Respondents were asked if they had any additional comments about proposed efficiency savings within the Barnet Group.

Six respondents answered this question. Two respondents questioned whether service users and their carers are happy with the new arrangements. And one respondent asked what service reductions are planned post 2013/14.

Reference was made to the Common Purpose democratic process. One respondent disagreed that there are more choices for disabled people. Reference was made to Barnet Homes, saying it does not provide decent housing for disabled people and services for adults with learning disabilities are deteriorating, and that budget constraints prevented people from opting for external services, such as Bushey Resource Centre.

One respondent stated that there were no efficiency savings yet and that Your Choice Barnet is currently forecasting a deficit next year, commenting that Barnet will have to step in if it fails to reduce this deficit as Barnet are 100% shareholders of the LATC.

One respondent felt there was not enough detail and in particular on how savings will be made and how the proposals will affect services.

## **SECTION 3**

### **Corporate Plan**

### **Online Survey**

### **Detailed Findings**

## 3 CORPORATE PLAN ONLINE SURVEY DETAILED FINDINGS

The Corporate Plan consultation comprised of an online survey (paper copies were also available on request) and a Citizen's Panel consultative event (more details on the method and approach to the event can be found under Section 3 of this report).

### 3.1 Technical details and method

#### 3.1.1 In summary, the survey was administered as follows:

- The consultation was published on the council's engage space <http://engage.barnet.gov.uk/> which gave detailed background information about the Council budget, the challenges the council faces and a hyperlink to the full Cabinet Report on the Council Business Plan for 2013/14 – 2015/16
- Collection of respondents' views were fed back via an on line self-completion survey
- Hard copies were also available on request
- Fieldwork for the survey took place between 8 November 2012 and 31 January 2013.

The survey was widely promoted through an insert in the November edition of Barnet First, press releases, in libraries, via Community Barnet's newsletter, the Youth Board and various service user groups and partner mailing lists.

#### 3.1.2 Questionnaire design

The questionnaire was designed to help understand what residents' priorities are for the next 10 years in order to inform the development of next year's Corporate Plan, with particular regard to:

- The Corporate Plan's top level strategic objectives
- The Corporate Plan's priority outcomes.

In order to enable in-depth segmentation analysis on the results the following types of question were included:

- Open ended questions, where respondents were asked if they disagreed with any priority or outcome to say why, and for additional comments if respondents felt there may be something the council had missed
- Key demographic questions.<sup>2</sup>

Respondents were provided with information on the 'Background to developing the council's Corporate Plan', 'Emerging priorities', a list of the 'strategic objectives', and the 'priority outcomes'.

'Background to developing the Corporate Plan' set out the new legislative context of the Localism Act, the move towards a commissioning model of operation, and the council's aim to create a more focused Corporate Plan.

'Emerging Priorities' sets out the demographic and economic changes facing the borough, and the opportunities afforded by new powers to local authorities, alongside key characteristics of Barnet's economy.

<sup>2</sup> Inline with the councils equality policy and the 2010 Equalities Act



**3.1.4 Response to the survey**

The survey received 39 completed surveys (not all respondents have completed all questions). Due to the small sample size the overall findings **should be treated with caution**.

**3.1.5 Sample profile**

The table below shows the profile of those who responded to the survey. In total, 39 responses were received; those who replied were mainly residents (56%). Due to the small sample size demographic information has not been produced for this report, although it was collected.

| Type                                  | Number    | %           |
|---------------------------------------|-----------|-------------|
| Resident                              | 22        | 56%         |
| Business                              | 2         | 5%          |
| Resident and business based in Barnet | 4         | 10%         |
| Public sector organisation            | 2         | 5%          |
| Voluntary/community organisation      | 1         | 3%          |
| Other                                 | 0         | 0%          |
| Not answered                          | 8         | 21%         |
| <b>Total</b>                          | <b>39</b> | <b>100%</b> |

**3.1.6 Calculating and reporting on results**

The results are based on “valid responses” only, i.e. all those providing an answer (this may or may not be the same as the total sample) unless otherwise specified. Therefore the base size may vary from question to question depending on the extent of non response.

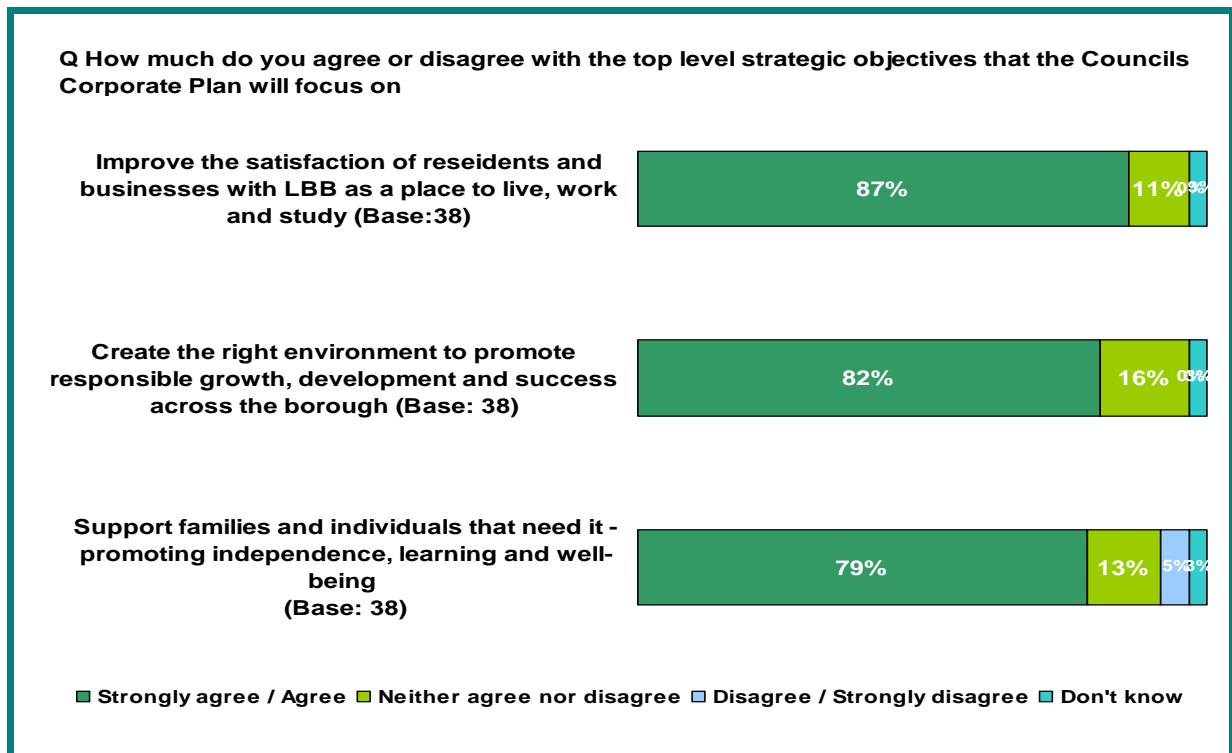
## 3.2 Results in detail:

### 3.2.1 The council's top level strategic objectives

Respondents were asked how much they agreed or disagreed with the council's strategic objectives.

The chart below shows that the vast majority of respondents agreed with all of the strategic objectives included in the Corporate Plan.

**Chart 1: Percentage of respondents who agreed or disagreed with the council's Corporate Plan strategic objectives**



- **‘Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work, and study’** received the highest level of agreement, with nearly nine out of 10 respondents agreeing with this objective (87%, 33 out of 38 respondents). There was no disagreement and the remainder of respondents were either neutral (11%, two respondents) or said they did not know (5%, one respondent).
- **‘Create the right environment to promote responsible growth, development and success across the borough’** received the second highest level of agreement with just over eight out of 10 respondents agreeing with this strategic objective (82%, 31 out of 38). Again there were no respondents who disagreed with this objective and the remainder either said they were neutral (16%, four out of 38 respondents) or said they did not know (2%, one out of 38 respondents).
- **‘Support families and individuals that need it – promoting independence, learning and well-being.’** Although third this still received a high level of agreement with nearly eight out of 10 respondents agreeing (79%, 30 out of 38 respondents). Only 5% disagreed (two out of 38 respondent) with the remainder indicating they were neutral (13%, four out of 38) or they did not know (3%, one out of 38 respondents).

## 3.2.2 Reasons for disagreement with the strategic objectives

- Respondents who disagreed with any of the objectives were asked to say why. Ten respondents provided numerous reasons for their disagreement.

The two respondents who disagreed with the objective **‘To support families and individuals that need it’** commented that there was not enough information to understand how this objective would be achieved, with one going on to explain they didn’t know what the objectives meant, or how they would balance.

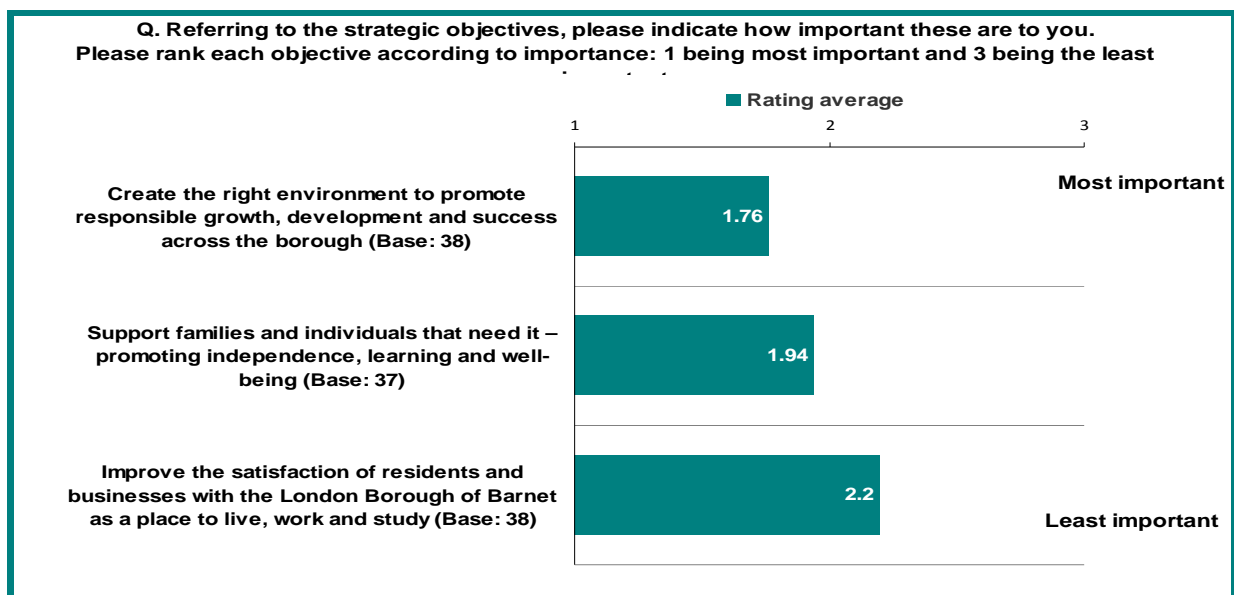
One respondent also felt that those people who are not contributing to the growth or well being of the borough should not be given more help because there was already adequate assistance for them.

## 3.2.3 Ranking the strategic objectives

Respondents were asked to rank which of the strategic objectives were most important to them.

The chart below shows the ranking average for each of these objectives and demonstrates that respondents saw the objectives were almost of equal importance. In particular although **‘creating the right environment to promote responsible growth, development and success across the borough’** was ranked as the most important priority. It was closely followed by **‘supporting families and individuals that need it – promoting independence, learning and well-being. Improving the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study’** was ranked last. The latter got the greatest level of agreement in the previous question but when respondents were asked to consider which objective is the most important to them they indicated this objective was the least important.

**Chart 2: Ranking of the Corporate Plan strategic objectives**

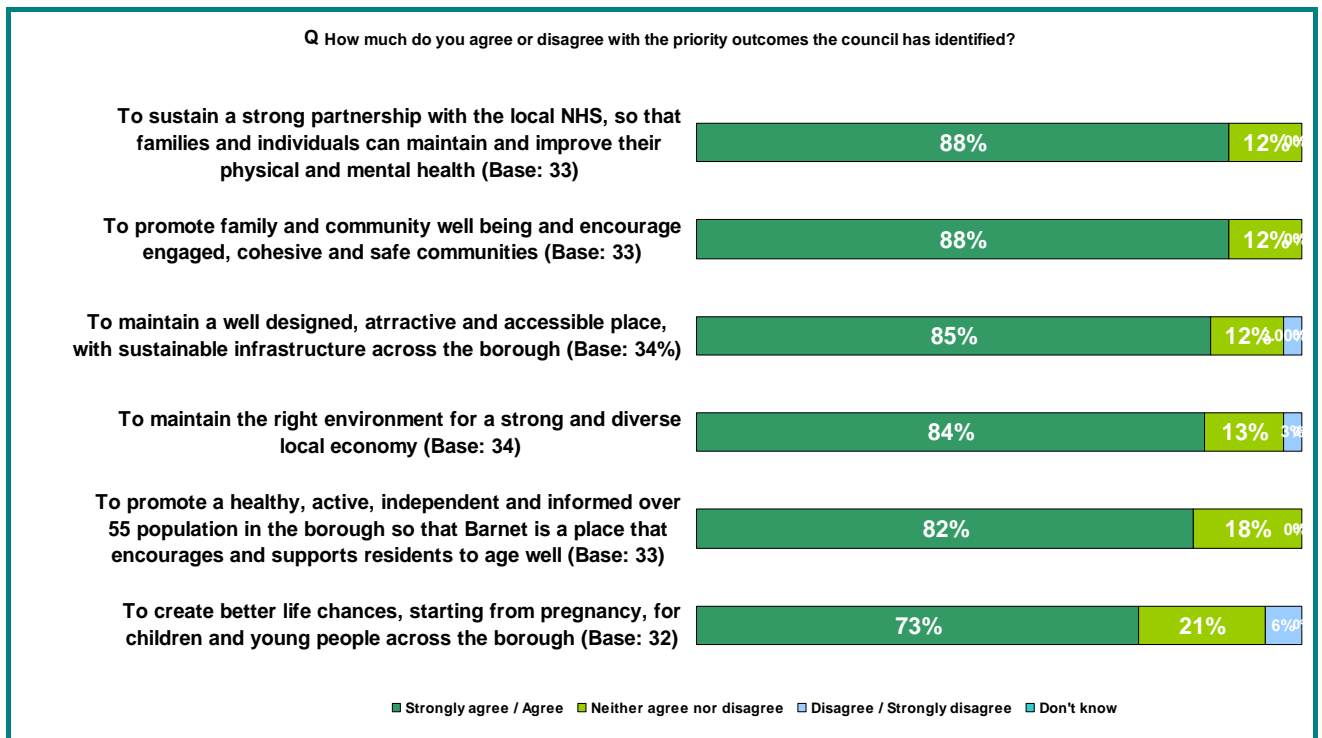


## 3.2.4 The council's priority outcomes

Respondents were asked to indicate how much they agreed or disagreed with the priority outcomes the council has identified to support these objectives.

The chart below shows that a large majority of respondents agreed with all the priority outcomes.

**Chart 3: Percentage of respondents who agreed or disagreed with the council's priority outcomes**



- The priorities which achieved the highest levels of agreement were **‘To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health’** and **‘To promote family and community well being and encourage engaged, cohesive, and safe communities’**. Almost nine out of 10 respondents agreed with these priorities (88%, 29 out of 33 respondents) and the remainder were neutral (12%, four out of 33 respondents). None of the respondents disagreed with this priority.
- Similar levels of agreement were achieved for the priorities **‘To maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough’** (85%, 29 out of 32 respondents), **‘To maintain the right environment for a strong and diverse local economy’** (84% agreed, 27 out of 32 respondents) and **‘To promote a healthy, active, independent, and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well’** (82% agreed, 27 out of 33 respondents). A minority disagreed with this priority and the remainder were neutral.

- **‘To create better life chances, starting from pregnancy, for children and young people across the borough’** received the lowest level of agreement with around seven in 10 respondents agreeing with this priority. However, only 6% disagreed with this priority with a much greater priority saying they were neutral (21%, seven out of 33 respondents).

### 3.2.5 Additional comments on the priority outcomes

Respondents were asked if they felt the council had missed anything from the priority outcomes.

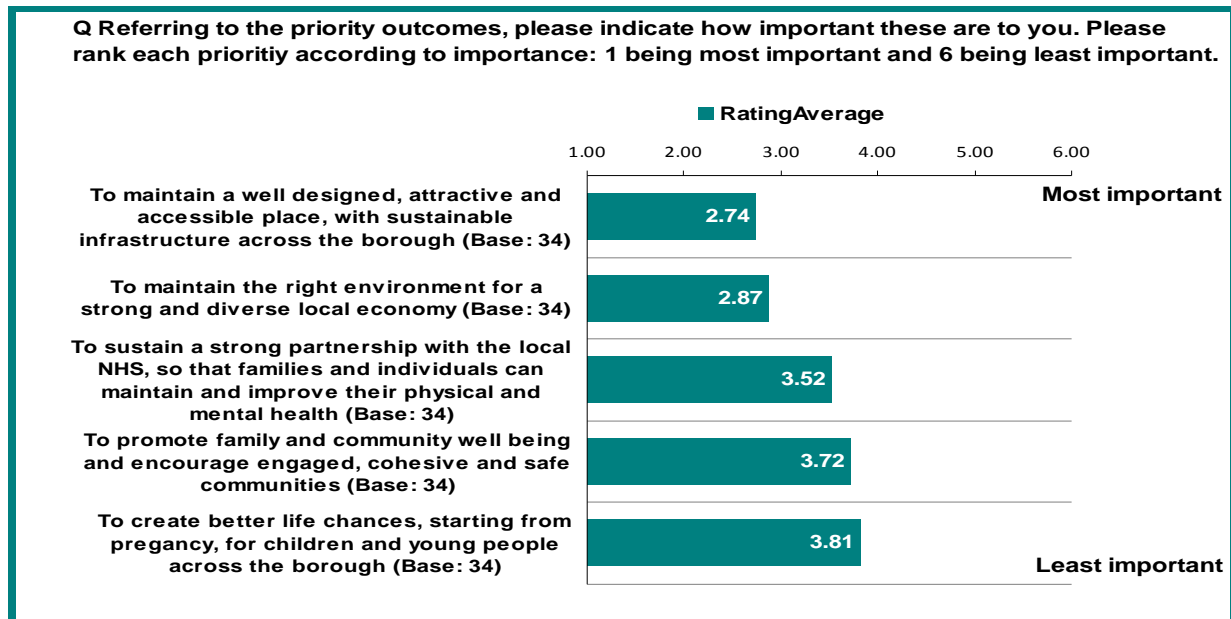
- Eleven respondents chose to include further comments which covered a range of issues
- Three respondents made reference to shops and local businesses
- These included comments that East Barnet shops were said to be derelict on account of the rates in the area, a request for the council to support local business, to keep Barnet Football Club in Barnet, and to keep Barnet market going by helping it to improve and diversify on its current site
- Other responses ranged from promoting the safety of children and adults, protecting the most vulnerable residents especially those who are disabled or on very low incomes, more focus on mental health services, promoting affordable housing, the availability of suitable primary school places, traffic, which was felt to be linked to all the priorities, providing public services within the borough and not outsourcing them to outside Barnet, and a concern about feelings of safety. All issues referenced above received one comment each.

### 3.2.6 Ranking of the council’s priority outcomes

Respondents were asked to rank how important each of the priority outcomes was to them.

The chart over the page shows that **‘to maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough’**, was the most important priority. This was closely followed by **‘to maintain the right environment for a strong and diverse local economy’**.

**Chart 4: Ranking of the council's priority outcomes**



### 3.2.7 Additional comments on the strategic objectives and priority outcomes

Respondents were asked for any other comments about the proposed priority outcomes and strategic objectives. Eight respondents provided comments:

- Three responses related to the clarity of language and meaning of the objectives and outcomes. It was felt that examples would help explicate the difference between 'a well designed accessible place' and 'the right environment' for example. Others wanted more explanation of the actions which would result and questioned the value in prioritising what they saw as interlinked objectives
- Mirroring an earlier response, one respondent felt that too much money was allocated to families with children, as opposed to adults with mental health problems or the lonely
- One respondent chose to raise issues with parking; it was felt to be too expensive with inflexible payment methods particularly disliked by the over 55s
- One respondent revealed that they were a shop owner on East Barnet Road and focused on the issue of high rates faced by shops there. It was felt that if new businesses were supported it would help the area and community
- More general comments related to improving standards of schools, health facilities and the feel of the high street.
- Two respondents disputed the necessity of ranking them as they required an "integrated approach," that improvements in one area needed to be carefully balanced with others.

### 3.2.8 Actions that the council should consider taking to achieve these outcomes and objectives

Respondents were asked if they had any other comments on actions that the council should consider taking to achieve these outcomes and objectives. There were extensive and varied comments from 10 respondents.

The types of comments are listed below:

- Ease traffic congestion; particular reference was made to badly timed traffic lights
- Keep the streets clean and tidy, citing they are getting noticeably worse every year
- Ensure the vulnerable are a priority
- Work with families rather than individual groups to identify how they can help themselves and their communities without financial burden on the rest of the community as well as supporting the services that they require
- Set up a volunteer service where people can meet
- New parking regime with reference to the current system actively discouraging visitors to the town centre which adversely affects high street and local economic activity, and consequently ongoing wealth and health of the borough
- Put up Council Tax inline with the rate of inflation so the council can continue to look after our borough to maintain standards
- Lower business rates or allow new businesses not to pay any rates for first two years so they can establish themselves
- Simplify communication and use simple language without jargon
- Don't outsource everything, with reference made to it diluting local accountability and democracy and services that may be out of touch with local need
- Get rid of unnecessary/outdated local acts or bills, laws and red tape.

## **SECTION 4**

# **CONSULTATIVE EVENT**

## **WHAT DRIVES RESIDENTS' PERCEPTIONS**



## 4. CONSULTATION TO UNDERSTAND WHAT'S DRIVING RESIDENTS' PERCEPTIONS (28 January 2013) – DETAILED FINDINGS

A consultative event was held with members of Barnet's Citizens' Panel and Youth Board members. The event was designed to explore what is driving residents' perceptions, explore residents' views on the council's Corporate Plan priorities, and understand where residents would be prepared to accept further savings.

### 4.1.1 Aims

- To gain an in depth understanding of residents' priorities and expectations in the context of the council's budget challenges now and in the future
- To gain an in depth understanding of residents' top concerns
- To explore the results of the online Residents' Perception Survey and discover what drives residents' perceptions
- To discover residents' views on the draft outcomes for the Corporate Plan
- To explore residents' views on the council's efficiency savings, ideas for generating revenue, and where it might be acceptable to see a reduction in council services.

### 4.1.2 Sample

Participants were invited from the London Borough of Barnet Citizens' Panel. The full panel is a representative sample of Barnet's population. However, as usual with these events, the invitation did not generate a strong take up from residents aged under 25, so additional invitations were circulated to the Youth Board.

In total, 61 residents attended the event. There was a good mix of participants in terms of age, ethnic origin, gender and disability.

### 4.1.3 Methodology

Participants were split across 10 tables with a mix of demographics represented on each table. Council staff from across the organisation provided facilitation for table discussions and captured feedback.

Councillor Daniel Thomas, Deputy Leader of the Council and Cabinet Member for Resources and Performance, opened the event with a detailed presentation on the budget and demographic pressures facing the borough now and in the future. There were two workshops, each focusing on a main theme and composed of a number of exercises.

## 4.2 Workshop 1: Exploring concerns and the Residents' Perception Survey

Workshop 1 comprised of exercises and table discussions to look at the 2012 Residents' Perception Survey results and understand what is driving residents' perceptions of the borough, and what delegates are most concerned about.

The workshop comprised the following three exercises:

- **Exercise 1:**

Delegates were presented with a list of issues and asked to pick out the top three that they were most concerned about, and discussed within tables.

- **Exercise 2:**

Tables were supplied with a document graphically displaying the results of the Resident's Perception Survey, and asked to discuss reasons behind one of the top three concerns and then to look at a lesser concern that had increased since the last survey.

- **Exercise 3**

Tables explored three more findings from the Residents' Perception Survey in more detail, namely fear of crime, perception of engagement and 'my council doesn't do enough for people like me'.

### 4.2.1 Key findings from workshop 1

#### 4.2.2 Exercise 1

Delegates identified on a wide range of concerns, but there were four in particular which received attention. These were: 'quality of health service', 'not enough being done for young people', 'crime', and 'lack of affordable housing'. Reasons for these as well as lesser concerns are outlined below.

- **Quality of health service**

Most of the reasoning behind this related to the perception of poor connections between different parts of the health service, appointment systems, referral times, and accessing different services across the borough. There were a number of complaints about GPs' services, and suggestions that GP surgeries be more accountable to the council so residents can affect change to their local services.

- **Not enough being done for young people**

Comments focused on lack of services and facilities for young people, and a general feeling that these had declined. It was felt that the council could do more to promote services that already exist, and to open up their facilities for use. Delegates suggested that clubs and organisations – particularly those using council assets – need to be incentivised to open up their doors to young people. Similarly schools that have available after school facilities could be opened up to young people who don't.

Some delegates made a connection between lack of opportunities and services for young people, and crime, though others rejected this. There was some discussion of culture changes in schools and parenting and the effect on discipline.

- **Crime**

This emerged unprompted as one of delegates' top concerns. Reasons are outlined below, where delegates unpacked the results of the Residents' Perception Survey.

- **Lack of affordable housing**

This emerged unprompted as one of delegates' top concerns. Reasons are outlined below, where delegates unpacked the results of the Residents' Perception Survey.

- **Lack of jobs**

Delegates voiced experiences of redundancies or lack of opportunities. Young people's schemes were sometimes felt to be tangled in bureaucratic processes which lost sight of the end goal of a real job. Delegates commented on the difference between more affluent residents who commute to London and people who want local jobs; this point was linked to the decline of the high street in local areas, and

businesses shutting down. It was felt that the council has a role here in ensuring that the local area can provide jobs.

➤ **Standard of education**

It was felt that Barnet's reputation for excellent education was not deserved uniformly across the borough. One delegate put it down to affluent parents being able to provide extra tuition, and others put forward the view that schools' good reputations could often be deceptive. There was some general discussion over educational standards slipping.

➤ **Level of Council Tax/rising prices/interest rates**

This emerged unprompted amongst of delegates' concerns. Delegates framed concerns about the level of Council Tax within the economic context of rising prices and just not having enough disposable income. Further reasons are outlined below, where delegates unpacked the results of the Residents' Perception Survey.

➤ **Not enough being done for elderly people**

There were mixed views on this concern, with some elderly people stating that they were happy with the opportunities and services available for them, and some delegates including a care worker commenting that there were not adequate services available.

➤ **Poor public transport**

Congestion was felt to be a problem, but delegates voiced the idea that car journeys were often more convenient because of inconvenient public transport routes across the borough which often involve multiple changes.

### 4.2.3 Exercise 2

➤ **Crime - top concern in the Residents' Perception Survey**

The greatest concern was expressed over burglaries, followed by assault, muggings and stabbings. Delegates made a number of suggestions of actions which could be taken to address this. The top priority of these was greater police visibility on the streets; this could be more police or uniformed volunteer and community officers to keep costs down. Further comments were that police should focus on solving crime rather than alleviating the after effects, and that they sometimes didn't spend enough time on smaller issues. Other practical suggestions included: more CCTV in high crime areas (although CCTV should not replace active police presence); "naming and shaming" petty criminals in the local media, encourage a more organised role for neighbourhood watch groups, ensure criminals pay back to the community via full fines and community service, and improve street lighting where it is too dim. There was a feeling that some areas were neglected, for example Burnt Oak. Some delegates expressed the view that Barnet was seen as an affluent borough so it became easier to overlook certain areas. Some delegates made links between crime and lack of affordable housing or young people not having enough to do. Balancing out these views were the comments that media scaremongering played a big part in perception of crime levels.

➤ **Conditions of roads and pavements - second top concern in the Residents' Perception Survey**

Potholes received the most attention, with delegates on one table agreeing that the North Circular was one of the worst areas. Delegates reported that there were good repair rates for potholes but that they were not of good quality and damage soon re-appeared. It was suggested that better follow-up and checks on quality of contractors

was needed. Other particularly bad areas were the hilly parts of the borough. Uneven pavements were a concern for older people in the group, with Hendon referenced by one delegate. One delegate asked that more grit supplies be provided by the council so that they are accessible for all properties. With regard to the parking system there was a suggestion for a more convenient “tap and park” system, like the oyster card system where parkers are able tap in and tap out.

➤ **Concern for level of Council Tax - third top concern in Residents’ Perception Survey**

Delegates from the Citizens’ Panel face to face event were generally opposed to raising Council Tax explaining their concern with reference to the wider economic context; as salaries are frozen and the cost of living is going up a Council Tax freeze seems like an increase in real terms. However, some questioned the freeze while seeing services cut but would only accept an increase in Council Tax if the council could demonstrate services were performing or had driven savings down. It was suggested that it was better to increase income from other sources (e.g. Planning) than increasing Council Tax. Delegates also expressed concern over people not paying who should be. Many delegates expressed the view that there was no problem with the amount of Council Tax they were paying, but found it problematic that at the same time they perceived services to be performing worse than two or three years. However local government was seen as more efficient than central Government or other parts of the public sector.

➤ **Increasing concern: litter and dirty streets**

Some delegates pointed out that the fact that street cleaning teams were not as visible as they have been may have coloured perceptions. But others felt that this was becoming more of a problem, because of a combination of more littering and less action to tackle it by the council.

Flytipping and dog mess were seen as specific growing problems. Practical concerns raised were that there were not enough bins on streets and that they weren’t emptied often enough (also that litter around bins was not being properly removed). There was a good level of support for the notion of personal responsibility, and neighbourhoods working together to improve areas. There were also suggestions to increase awareness of litter problems through schools, and rewarding good practice. The idea of better regulation and policing was floated with comparisons to systems on the continent. There were positive comments about cleanliness and refuse collection, specifically on Barnet High Street.

➤ **Increasing concern: affordable housing**

Affordability of renting and buying in the borough was a concern for many; rents and purchase prices were said to be too high and it was felt this led to overcrowding. “Saturation” and “over population” were felt to be partly to blame, and delegates recognised that there had been a big rise in homelessness. But delegates also put this down to a lack of social housing, and high private rents and a number mentioned houses standing empty. The growth in one to two bedroom flats for commuters was highlighted, which affects the type of neighbourhood that crops up. The new developments at Colindale were viewed by some as too small and too expensive. It was felt that certain areas were becoming wholly unaffordable and delegates thought it necessary to ensure diversity in the housing supply; a good mix of affordable housing, rent to buy, and renting. One delegate said that there was not enough communication between services and organisations who served vulnerable people and who really needed affordable housing.

## 4.2.4 Exercise 3

### ➤ **Feeling safe during the night**

There was a widespread fear of crime at night. This was seen as more of a policing than a council issue, but it was felt that authorities should invest in crime prevention. Neighbourhood Watch groups were raised and spoken of positively. At various times in the event delegates made the perceived connection between crime and young people not having enough to do, Lack of affordable housing was also referenced in this context.

### ➤ **Engagement**

In terms of practical methods of communication by the council it was felt that these had improved a lot in the last few years, particularly the website, although Barnet First was seen as propaganda and described as ‘an advert for the council’. There was a split between the younger and most of the elderly delegates who didn’t use the internet and preferred to use local newspapers and advertising to find out about the council. Delegates liked the idea of ward specific news, as well as more localised consultation. The idea for an e-newsletter or feed from the website that residents could use to subscribe to the specific feeds which interested them was raised at one table. There was a perception among some delegates that the council may be operating inefficiently; that there was too much red tape and inefficiencies resulting from passing responsibilities back and forth between departments. Some delegates questioned why top level staff working for the council were getting bonuses.

### ➤ **“My council doesn’t do enough for people like me”**

Delegates felt the reason why the survey showed an increase in this perception was that many residents are above the threshold of having to require services from the council i.e. in terms of income or the fact that they do not require all of the council services. The council should make it clear what its role is so that expectations are managed. But delegates also made it clear that they wanted resources to support those most in need rather than waste scarce resources on those who can support themselves. Support for young people was an issue that arose in a number of different instances across the course of the evening, and at this point some of the young delegates voiced concerns that there not enough facilities or services on offer to them.

## 4.3 **Workshop 2: Corporate Plan priorities and council changes**

Workshop 2 consisted of a first set of table discussions to seek residents’ views on the draft outcomes for the Corporate Plan, followed by another set on efficiency savings, generating income and where it would be acceptable to see a reduction in services.

### **The workshop comprised of two exercises:**

- **Exercise 1: Corporate Plan and the council’s priorities for the next five years**

The same exercise was completed by all tables.

A briefing note on the council’s Corporate Plan was sent out to all delegates ahead of the event, and additional copies were provided on their tables. The note provided information on Barnet’s emerging priorities in the context of the economic and demographic changes, and legislative developments. Delegates were provided with the Corporate Plan’s three strategic objectives and asked to discuss and rank the set

of priority outcomes and provide additional suggestions if they felt there was anything that the council had missed or should change.

- **Exercise 2**

Delegates were provided with a list of information on all council services and each table focused on one of the following topics: efficiency savings, generating more revenue, and reduction to services.

### 4.3.1 Key findings from workshop 2

#### 4.3.2 Exercise 1: Corporate Plan and the council's priorities for the next five years

Most tables commented on the high level language used for the priorities, and some felt uncomfortable ranking them without more reference to what they meant and how they would be implemented. Though all were felt to be positive, they needed more information in order to interpret them. Others understood that the priorities had different focuses and were able to prioritise accordingly.

There were a range of prioritisations and various comments on specific priorities. Most tables recognised the preventative angles of certain priorities, and that others would follow as outcomes if these were put in place.

Two priorities were consistently rated highly:

**“To create better life chances, starting from pregnancy, for children and young people across the borough”**

The preventative aspect of this priority appealed to many delegates, who felt that focusing on early years and young people would foster residents who were less dependent on council services later in life. Discussions focused on making sure that young people acquired life skills as well as important technical skills. Some delegates suggested that the council should be encouraging local businesses to take on GCSE age students for work experience, because graduate level is too late.

**“To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health”**

Some felt that this wasn't the council's responsibility, however many delegates voiced ideas about healthier people “costing less”. Discussion also focused on the council's new public health role; it was felt that this offered an opportunity to localise what is seen as a very “national” NHS. Delegates commented that the council would need to engage with partners to prevent disengagement as well as duplication of work.

Food shops were mentioned on two tables. It was felt that the council could have some influence over supermarkets, which have an important role in ensuring that people made healthy food choices, and the number of fast food shops – it was felt that there were too many in Burnt Oak for example.

Mental health issues were a serious concern, and it was felt that not enough attention was given to these.

**“To maintain the right environment for a strong and diverse local economy”**

- Focusing on small and medium sized enterprises was felt to be a priority for many delegates, and it was felt that business rates should be fed back into promoting SME's

(small businesses) and cottage industries. It was felt that the council could take more practical steps to improve the local economic environment; a number of delegates mentioned the importance of parking spaces at low costs near to small local businesses. There was suggestion for re wording this “to **create and promote** the right environment for a strong and diverse local economy”.

**“To maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough”**

It was felt that Barnet already did this well. Some delegates commented that design did not necessarily impact on people’s behaviour.

**“To promote a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well”**

Many felt that the older population were already well catered for which perhaps reveals why this priority did not emerge as a higher concern. Three delegates who raised particular concerns about care for the elderly had occupations in social care or health. Some pointed out the demographic pressures facing the borough and recognised the type of value that this group could add if enabled, and the types of problems that could be prevented by making sure they were healthy and active. There was suggestions for rewording ‘To promote **and educate**’ a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well”.

**“To promote family and community well being and encourage engaged, cohesive and safe communities”**

This received some support and was felt to be a positive priority but delegates struggled to articulate clear ideas or examples about how this might be achieved.

### 4.3.3 Exercise 2

➤ **Efficiency savings**

**Key question:**

- Where should the council look for efficiency savings?

There was a general consensus around fairness in terms of directing benefits and subsidies to the vulnerable and deserving, and not rewarding those who abuse the system or act irresponsibly. A number of delegates felt strongly that the council should clamp down on benefit fraud. In order to cut street cleaning costs children or young people who had committed crimes could clean litter from the streets.

More specifically there were suggestions to cut housing benefit to the private sector; to remove Council Tax subsidy for private tenants and for council tenants. Giving grants to the third sector to run services was proposed. Delegates at one table suggested the council runs an annual efficiency competition, to encourage young people in particular to come forward with ideas for efficiencies and to generate revenue.

There were suggestions of further cuts to management staff, and there were two specific references to Children’s Services management. Many were also in favour of

outsourcing back office services and HR. Delegates raised concerns about making cuts which could cause pressure elsewhere in the system (for example on road services or healthcare).

### ➤ **Increasing revenue/ better use of assets**

#### **Key questions:**

- How should the council seek to generate more revenue?
- What would be acceptable and what would not be acceptable?

Increasing Council Tax was not a favourable idea on the whole and a number of delegates felt that the flat rate of Council Tax was unfair. Instead, a couple of delegates were in favour of the council putting efforts into more effective debt recovery. There was a consensus that charging businesses for certain services, such as Plan and energy advice would be a good way of generating revenue, and it was felt the council could be more entrepreneurial on this front, possibly working with a private sector partner. However, introducing a charge for services that delegates used personally was not popular, especially for those which are essential for some people.

There was lots of discussion around libraries; the idea of charging for the service was unpopular and delegates understood that this basic service could be very beneficial to young people in particular. However there were a number of suggestions as to how they could be used more efficiently, for example fusing libraries which had lower numbers of active users. Libraries could host partner organisations or businesses which could be charged, and users could be charged for “added value” services at libraries. One idea was to introduce phone charging docks into public spaces such as libraries, where users could charge their phones for a fee. Coffee shops at libraries were a popular idea, and one table suggested using them as an opportunity to develop social enterprises and opportunities for young people to build work skills. The most readily recognised council asset was space and facilities. A large number of delegates felt that council buildings and schools could be used more efficiently. For example, space could be sold if standing empty or rented out more efficiently so that a number of organisations could benefit from them and maximum revenue could be generated.

The idea of using advertising on council communications materials or in customer service centres to generate revenue split the group. Some felt that the independence of services could be compromised. Others felt that it would be better than cutting services. But there were a number of comments about the importance of transparency, and circumstances in which it would not be suitable. One table discussed the idea of commercial sponsorship, for example for local community groups, and more innovative use of Corporate Social Responsibility (CSR).

### ➤ **Reduction to services**

#### **Key questions:**

- Which services would be acceptable to see a reduction in the level of service?
- Which services are the most important and should be the council’s priorities?

Delegates were split on the issue of fortnightly rubbish collections. Some suggested that both refuse and recycling collections should be reduced to fortnightly collections



and to aid this people should be encouraged to compress their rubbish and recycle properly. Others wanted to protect weekly waste collections but improve recycling.

Other services which delegates felt comfortable with reducing were Environmental Health services, and street lighting, which some delegates felt was not needed in the early hours and that it had not affected feelings of safety when reduced in certain areas. There were suggestions that Trading Standards, consumer advice and licensing services should be merged with another borough to make savings.

There was wide spread agreement that there should not be a reduction to maintenance of roads and pavements or services for people who need them most; these were children, elderly and vulnerable people. Delegates also wanted to keep services that keep people well, such as leisure and healthcare.

#### **4.4 Additional themes and general comments**

There were two themes which emerged unprompted from a number of different delegates. Mental health was felt to be a serious and “hidden” problem, which should have been included or highlighted in more of the discussion items.

Several delegates had concerns about the standard of schools and the education system, commenting that schools are not always as strong as their reputation suggests. School places were also a concern.

The decline of the high street and more support for local shops was an issue that received attention at a number of instances throughout the event. Cheaper parking was one solution that was offered, as was the council’s support for small and medium sized enterprise though re-investment of business rates.

There were also several comments over the course of the event that the authorities – the council, the police etc - had not responded or taken issues seriously in response to complaints or feedback from residents. This prompted the feeling that it may not be worthwhile reporting issues in the future. Delegates on one table commented that feedback from consultation events should be more explicit and immediate.

## **SECTION 5**

# **Finance and Business Plan Budget**

## **Service Consultations**

### **Detailed Findings**

## 5. SERVICE SPECIFIC CONSULTATIONS, BUSINESS PLAN AND BUDGET 2012/13 – DETAILED FINDINGS

### 5.1 CHILDREN'S SERVICES BUDGET CONSULTATION DETAILED FINDINGS:

The Children's Service has consulted on budget proposals to achieve savings of £4.493m for 2013/14. As part of this, three key proposals have been consulted on: youth services, sports development and substance misuse.

#### 5.1.2 Technical details and method

**In summary, consultation on the Children's Service budget proposals was administered as follows:**

- Key stakeholders were emailed a consultation letter containing information about each of the key budgets proposals for the Children's Service and how to respond to consultation
- A Children's Service budget consultation webpage containing key documents and information
- A young person's online survey created by the Barnet Youth Board
- An online questionnaire
- An email address for people to send their comments or queries to
- A number of consultation meetings.

#### 5.1.3 Proposals and feedback

##### 5.1.3.1 Youth Services

There have been some key changes to the duties local authorities have to provide youth services and we are looking at a number of ways that savings could be found within the budget for youth services. The Government has issued new guidance which means that local authorities keep their duty to secure sufficient services and activities to improve the wellbeing of young people, to take into account their views and to work strategically with partners to do this. However, the Government will no longer prescribe which services and activities for young people should be funded or to what level.

There have also been changes to local authority duties to provide information, advice and guidance on careers to young people. From September 2012 schools have the responsibility and the funding to provide careers guidance that meets the needs of their pupils. The financial plan for 2013/14 agreed in February 2012 includes £958,000 of savings for youth services. However, having examined these savings against our priorities and in light of the riots in summer 2011, a smaller reduction of £500,000 is now proposed, with savings found through efficiencies in other areas instead.

There are four key proposals to achieve total savings of £500,000 for Youth Services.

**Proposal 1A:** Achieve better value for money across contracts, especially in youth homelessness provision. A reduction in mediation support for homeless young people is also proposed. To help reduce the impact of no dedicated mediation for young people, targeted youth workers would deliver support for homeless young people. Proposed saving: £120,000

**Proposal 1B:** Refocus and reduce back office and youth worker staff supporting targeted youth services, while continuing to guarantee provision of statutory duties. These duties include securing sufficient leisure-time educational and recreational activities for young people, and helping young people to participate in education and training. We would further target remaining resources and reshape our services to help ensure that the Council continues to support those that need it most and increase formal accreditation in activities and programmes for young people.

Proposed saving: £245,000

**Proposal 1C:** Reduce resources to publicise and support delivery of positive activities (for example special interest clubs, arts and cultural activities and sports activities). We would continue to work closely with partners to make the best use of remaining resources. This would include increasing formal accreditation across activities.

Proposed saving: £65,000

**Proposal 1D:** Schools now have responsibility and funding for careers information, advice and guidance. It is proposed to reduce Council support in line with this. However, there is some demand from schools to purchase careers support from the Council, which would generate income and would reduce the budget saving. There are also opportunities to generate income from play activities in schools.

Income generation: £70,000

42 people responded to the online survey. A summary of responses is shown in the table below.

| Proposal | Strongly agree | Tend to agree | Neither agree nor disagree | Tend to disagree | Strongly Disagree | Don't know |
|----------|----------------|---------------|----------------------------|------------------|-------------------|------------|
| 1A       | 8.3%           | 29.2%         | 0%                         | 16.7%            | 45.8%             | 0%         |
| 1B       | 4.5%           | 18.2%         | 13.6%                      | 31.8%            | 31.8%             | 0%         |
| 1C       | 4.8%           | 23.8%         | 28.6%                      | 19.0%            | 23.8%             | 0%         |
| 1D       | 33.3%          | 42.9%         | 14.3%                      | 4.8%             | 4.8%              | 0%         |

60 children and young people between the ages of 10 and 24 responded to the young people's survey online and in hard copy. Their views are represented in the table below.

| Proposal | Strongly agree | Tend to agree | Neither agree nor disagree | Tend to disagree | Strongly Disagree | Don't know |
|----------|----------------|---------------|----------------------------|------------------|-------------------|------------|
| 1A       | 3%             | 33%           | 0%                         | 52%              | 5%                | 3%         |
| 1B       | 7%             | 33%           | 42%                        | 5%               | 5%                | 8%         |
| 1C       | 7%             | 45%           | 40%                        | 0%               | 0%                | 5%         |
| 1D       | 68%            | 0%            | 3%                         | 0%               | 25%               | 4%         |

### 5.1.3.2 Feedback

The £458,000 reduction in the original saving proposed was very positively received. Respondents felt that their views, including those expressed during last year's consultation, about the importance of youth services, had been taken into account.

Concerns were expressed by social care managers and Barnet Homes around the impact of ceasing dedicated mediation support for homeless young people and it was felt that the targeted youth workers would not be able to fully mitigate the impact of this proposal. Those who responded to the online survey also expressed concerns in relation to young people who find themselves homeless. Emphasis was placed on the need for targeted youth workers who were suitably experienced and trained to deal with the particular issue of homelessness. Some respondents were also concerned about the potential knock on effect for other young people if targeted youth workers spent more of their time focusing on young homeless people. It was suggested that there could be greater use of commissioning local organisations to help maintain services while still saving money. It was strongly felt that frontline workers should be protected from reductions.

Many respondents highlighted the benefits of positive activities, stating that they help to make a difference to young disadvantaged people, and that it is a unique programme which has allowed voluntary organisations to provide activities for some of Barnet's most vulnerable young people. There were some questions raised about the quality of alternative service providers and many respondents expressed concern about who would deliver services, and their relevant experience. Some felt that it was important to offer physical activity opportunities outside of school, and reducing options could impact on those who do not engage in traditional activities.

It was noted that there is a clear link between youth homelessness, substance abuse and mental health issues, and the need to ensure that this cut and those of previous years will not result in increased knock-on expenditure on youth offending and dealing with young people not in education, employment and training.

While Barnet Youth Board and UK Youth Parliament understood the pressures placed on local councils they expressed some concerns and wanted to ensure that cuts did not compromise the quality of services. Specific concern was expressed for young people who are vulnerable, particularly young people who are homeless or at risk of being homeless. They felt that schools had numerous responsibilities and that some might find it difficult to offer all careers and advice provision and called for stronger links between agencies like the job centre and schools. It was felt that young people should continue to play a part in designing materials and promoting council services aimed at young people to help raise awareness of what is on offer and ensure continued participation from a wide range of groups.

### **5.1.3.3 Response to consultation**

Youth services are being reconfigured to ensure the continued provision of statutory duties. The charging model introduced during 2012/13 would continue to be developed to help ensure that youth and play activities remain available to young people who are not identified as target groups. Formal accreditation in activities and programmes for young people such as the Duke of Edinburgh scheme is being increased and links strengthened with local schools. Positive activities and accredited programmes are being jointly planned and communicated and there is a continued commitment to the involvement of young people in the decision-making process.

It is acknowledged that the proposed reductions could have a negative impact on homeless young people, especially in relation to mediation support. To help mitigate

this, a dedicated targeted youth worker would work closely with the housing team and Barnet Homes to support homeless young people and those at risk of homelessness. Having a dedicated worker will help to reduce the knock-on effect on support provided by other targeted youth workers. To help further strengthen this, the Council is working closely with Barnet Homes to explore the possibility of securing funding from other sources for mediation work.

## 5.1.4 Sports Development

**Proposal 2:** Reduce support for sports development and continue to promote sports development without additional investment. To help reduce the impact, sports development would be carried out as part of positive activities work. We would also continue to work with partners, including health, schools and the voluntary sector, to encourage greater use of leisure facilities across the borough, especially through the sport and physical activity review.

Proposed saving: £90,000

A total of 42 people responded to the online survey. A summary of responses is shown in the table below.

| Proposal | Strongly agree | Tend to agree | Neither agree nor disagree | Tend to disagree | Strongly Disagree | Don't know |
|----------|----------------|---------------|----------------------------|------------------|-------------------|------------|
| 2        | 11.1%          | 16.7%         | 16.7%                      | 22.2%            | 33.3%             | 0%         |

60 children and young people between the ages of 10 and 24 responded to the young people's survey online and in hard copy. Their views are represented in the table below.

| Proposal | Strongly agree | Tend to agree | Neither agree nor disagree | Tend to disagree | Strongly Disagree | Don't know |
|----------|----------------|---------------|----------------------------|------------------|-------------------|------------|
| 2        | 0%             | 23%           | 62%                        | 0%               | 8%                | 5%         |

### 5.1.4.1 Feedback

Many respondents referred to the Olympic Games, held in London in 2012, and the importance of continuing that legacy with further investment in sport. Respondents were particularly mindful of the impact of obesity on children and young people in Barnet.

There were some concerns about ensuring that partners had the capability to provide effective services and whether schools were able to share facilities to the benefit of the wider community, in practice. The capacity of sports activities to create revenue was also raised as an issue and suggestions were made for a self-funding service to be created.

Several respondents felt that aligning these services with public health services would ensure a more coherent strategic direction for sport and physical activity and capitalise on opportunities to engage a wider range of residents in regular sport and physical activity.

It was felt that this proposal places an additional burden on the youth service, and it was noted that good sports provision can improve engagement and attainment.

## 5.1.4.2 Response to consultation

The Children's Service will work closely with colleagues in public health and through the review of sport and physical activity to make best use of the resources available across the partnership and identify opportunities to encourage external funding into the borough in support of sports and obesity reduction activities.

## 5.1.5 Substance misuse

Substance misuse services assist us to prevent and minimise the risk of harm of substance misuse to young people, their families and communities. Given the significant budget savings that have to be found across the council, savings in this area are proposed. The financial plan for 2013/14 agreed in February 2012, includes £150,000 of savings for substance misuse. However, in line with our priorities, a smaller reduction of £84,000 is now proposed, with savings found through efficiencies in other areas instead.

**5.1.5.1 Proposal 3:** Re-tender contract for young people's substance misuse services to provide better value for money and reduce commissioned services for supporting and preventing substance misuse. We would seek to mitigate the impact of this through more integration with our family focus team and the family support workers within our early intervention and prevention service.

Proposed saving: £84,000

42 people responded to the online survey. A summary of responses is shown in the table below.

| Proposal | Strongly agree | Tend to agree | Neither agree nor disagree | Tend to disagree | Strongly Disagree | Don't know |
|----------|----------------|---------------|----------------------------|------------------|-------------------|------------|
| 3        | 0%             | 35.3%         | 35.3%                      | 5.9%             | 23.5%             | 0%         |

60 children and young people between the ages of 10 and 24 responded to the young people's survey online and in hard copy. Their views are represented in the table below.

| Proposal | Strongly agree | Tend to agree | Neither agree nor disagree | Tend to disagree | Strongly Disagree | Don't know |
|----------|----------------|---------------|----------------------------|------------------|-------------------|------------|
| 3        | 0%             | 20%           | 25%                        | 45%              | 8%                | 2%         |

## 5.1.5.2 Feedback

Many respondents to this proposal were concerned about the specific experience and expertise that could be offered by Family Focus workers and felt that signposting to more specialist workers was a more realistic expectation of these members of staff. In particular there were concerns that this proposal may put at risk the Council's ability to reach more families with complex needs through the Family Focus team as a result of a reduction in capacity elsewhere.

Some respondents highly valued the current specialist provision and hoped that the best aspects of this would be retained. There were suggestions around widening the expertise of the third sector to provide alternative methods of engagement such as pod casts and peer-to-peer training.

### 5.1.5.3 Response to consultation

It is acknowledged that only some support for young people with substance misuse issues would be provided by family support workers, and that support would also be provided through clear signposting to national and any remaining London resources, which may help to partially mitigate the impact of the proposal. From April 2013 the funding for providing substance misuse services sits with public health and the Mayor's Office for Policing and Crime (MOPAC). It is possible that a small substance misuse service for young people in Barnet may remain, but this is dependent on these funding sources, the extent of which is not currently known. The Children's Service is working actively with colleagues and partners on this.

### 5.1.5.4 Overall

It is now proposed to find almost half (48%) of the Children's Service budget savings through efficiencies. This includes reducing transport costs for children with SEN and children in care through better demand management and contracting, restructuring and reducing back office functions and the complex needs/SEN team, and carrying out services differently, for example, the way we carry out parenting assessments. Small increases in fees and charges related to children's centres are proposed. Savings are also anticipated from our investment in early intervention and prevention.

### 5.1.5.5 Feedback

Schools were keen to understand how their feedback from previous budget consultation had been taken into account. They were concerned about the impact the proposed reconfiguration of SEN might have on them and wanted to be updated on early intervention and prevention work.

Online respondents noted the need for the Council to make as many 'invisible' reductions as possible and drew attention to levels of spend on 'back office' functions including consultants.

There were significant concerns over ongoing reductions to youth services, and many respondents were keen to maintain these services, having had good experiences with them in the past. Attention was also drawn to the suspected impact of the welfare reforms on young people and the possibility of many being in greater hardship and therefore requiring more support.

Young people felt especially strongly that the growing population of children and young people in the borough meant that expenditure should be reduced in other areas that won't affect the future and support we currently have for children.

The Labour Group in particular fed back that reductions adversely and unfairly targeted youth services, where previous reductions have also been made. It was felt that this could not be sustained without disadvantaging large numbers of children and young people who required these services.

### 5.1.5.6 Response to consultation



Schools' feedback from the 2011/12 budget consultation process has informed the strategy around educational psychology time and resulted in the retention of targeted mental health support in secondary schools.

At this stage it is difficult to quantify the exact impact of reconfiguring SEN business processes on schools, although this would not impact on schools' budgets, which are governed by a national funding formula. Early intervention work has helped reduced numbers of looked after children, needs are being met in less expensive ways and indicators are that savings are being made.

It is acknowledged that youth services have experienced budget reductions in previous years. In recognition of the cumulative impact of this, the originally proposed savings of £958,000 for 2013/14 were revised down to £500,000, with savings found through efficiencies in other areas instead. The charging model for youth and play activities introduced during 2012/13 has been designed to help ensure that youth and play activities remain available to young people who are not identified as target groups, so that limited resources can be targeted towards those most in need.

## 5.2 ENVIRONMENT PLANNING AND REGENERATION CONSULTATION

### 5.2.1 EPR Fees and Charges

Notifications in respect of annual increases to fees and charges across a range of EPR services were the subject of public consultation from 8 November to 21 December 2012. This enabled all residents to be made aware of the proposed increase in charges and their applicable date of change and invited feedback and comments prior to implementation.

#### Response to the survey

No response or feedback was received for any of the fees and charges proposed in the published schedule during the course of the public consultation. However, 10 responses were received in the publicised consultation mailbox in connection with allotment rents that were the subject of last year's consultation and already approved for implementation.

#### Key headlines

The majority related to comments on the allotment rent charges due to be implemented on 1 April 2013. One of the responses was an email from the Secretary of the Barnet Federation of Allotment and Horticultural Societies on behalf of allotment societies in Barnet. The comments relate to rent increase proposals that were approved following the 2011/12 budget setting and consultation process and are due to be implemented on 1 April 2013. As a result, they do not fall within the scope of the recently concluded fees and charges consultation. [Allotment rent increases are consulted on a year in advance of the proposed implementation].

The general sentiment of the majority of respondents (in the allotments community) is that the approved fee increase due to be implemented for 2013/2014 is unjustified, unfair and potentially detrimental to the council's reputation. They are calling for the allotment rent increases to be abandoned or delayed to ensure that the existing project to transition allotment sites to self management is fully completed.

However, the council is confident that the majority of the allotment portfolio will have transferred by April 2013. The council has committed resources to ensure that the process of transferring management of allotment sites across the borough meets this deadline. Any site which hasn't opted for the self management model will be subject to the new rent structure as approved in the Delegated Powers Report 1624 dated 29 March 2012. That report has also dealt with the Equalities Impact Assessment and council's response to the consultation representations.

## APPENDIX A: Residents Perception Survey 2012

### 1. Summary

Barnet is making **£72.5m savings** between 2011 and 2015 and major changes to how we operate. Despite these pressures, the Residents' Perception Survey shows a broadly positive direction.

This Residents' Perception Survey (November 2012) provides an update from 2010/11. The survey has a large sample – 1600 residents. It is worth noting that the updated RPS was conducted in November; compared to the 2010/11 survey being conducted in February 2011. Differing weather conditions may influence some place-related satisfaction.

- Satisfaction with the local area is improving. Residents are more likely to think the council is doing a good job, offering value for money and improving their area than two years ago.
- Despite significant cuts and challenging local press coverage, overall satisfaction with the council - and the majority of services - is moving in right direction.
- However, the results suggest some challenges relating to perception of crime (including fear of crime after dark and a potential need to hold the police to account more effectively), anti-social behaviour and decreasing satisfaction with some specific services such as street cleanliness, leisure and Council Tax/housing benefit.
- Satisfaction with the council, the perception of the council's engagement with residents and the image of council has improved. Although Barnet is moving in a positive direction, we remain below the average for London authorities in terms of image and engagement.

### 2. Key Headlines

#### **Overall satisfaction with the local area remains high and significantly above the national average**

- The vast majority of residents (88 per cent) are satisfied with their local area as a place to live which is two per cent higher compared to 2010/11 (86 per cent) and is significantly higher than the national average (+ four per cent).

#### **2.1 Residents' top three concerns have shifted slightly since 2010/11**

- The top three concerns for Barnet residents are crime (31 per cent), conditions of roads and pavements (26 per cent) and level of Council Tax (23 per cent).
- In 2010/11 the top three concerns were conditions of roads and pavements, crime, and rising prices and interest rates.
- However, residents are also now more concerned with traffic congestion, litter and dirty streets, and lack of affordable housing compared to 2010/11.

- Crime, lack of affordable housing, lack of jobs, litter/dirty streets, the number of homeless people and poor public transport are much more of a concern for London compared to Barnet .
- Barnet residents are not significantly more concerned than London on any issues that were listed.

## 2.2 Overall satisfaction with the council is improving but still below the London average

- Overall satisfaction with the council has seen a significant increase since 2010/11 (63 per cent, +12 per cent). Caution should be applied when comparing the results of this question to 2010/11 due to a methodological change, as the placement of the question was moved within the survey to ensure consistency with other local authorities.
- Barnet is still four per cent below the London average for satisfaction with the council, five per cent below the outer London average and nine per cent below the national average.
- As with previous surveys, residents are much more likely to say they feel the council is doing a good job (72 per cent, up one per cent since 2010/11) compared to being satisfied with the council (63 per cent).

## 2.3 Residents' satisfaction with the majority of council services has improved

- Nine of our services saw significant increases in satisfaction compared to 2010/11 and the majority of these out performed outer London:

|                   |                          |                                    |
|-------------------|--------------------------|------------------------------------|
| Repairs of roads  | Social services adults   | Parks, playgrounds and open spaces |
| Primary education | Social services children | Quality of pavements               |
| Nursery education | Secondary education      | Housing Benefit Service            |

- The RPS results indicate that Barnet is a place people want to live. However, four of our services saw significant decreases in satisfaction and three out of five are significantly below the outer London average. Not surprisingly:
  - parking services are down four per cent and is 11 per cent below the London average
  - council leisure facilities are down 4 per cent and is 16 per cent below the London average
  - Libraries are down three per cent and is 1 per cent below the London average;
  - Street cleaning is down three per cent and is 1 per cent below the London average.
- On the last point of street cleaning, it is worth noting that concern for litter and dirty streets is a theme that is echoed throughout this year's survey results.
- Three fifths (59 per cent) of residents who have contacted the council are satisfied with the service they received. However a further one quarter is dissatisfied.

## 2.3 The image of the council has seen a positive direction of travel compared to 2010/11, but many measures also remain below the London average

- Significant increases have been seen on six perception measures since 2010/11, five have remained consistent with 2010/11 and one perception measure has had a significant decrease.
- Compared to 2010/11, residents are significantly more likely to think the council is offering better value for money, is working to improving the local area, doing a better job than a year ago, involving residents when making decisions, listening to concerns of local residents and responding quickly when asked for help.
- However, with the exception of value for money, Barnet does not out perform the London benchmark on any image statements. Barnet's improvement against six image measures gives a positive direction. However, despite these improvements, the image of the council remains significantly below the London average.
- 'My council doesn't do enough for people like me'<sup>3</sup> was the only image statement that experienced a significant decline (plus five per cent, but in line with the outer London average).
- Other image statements that are in line with 2010/11 but performing worse than London are 'efficient and well run' and 'keeps residents informed about what they are doing'.

## 2.6 Community and cohesion perception measures remain high in Barnet

- There has also been a significant increase in the proportion of residents saying they volunteer compared to 2010/11 (an increase of 4 per cent).

## 2.7 There is a less positive picture for community safety and tackling anti-social behaviour

- Perception measures on feeling safe during the day remain very high, however perception on feeling safe during the night has seen significant drop since 2010/11.
- Anti-social behaviour, rubbish or litter lying around continues to be a top concern in the local area and has seen a significant increase since 2010/11. However people using or dealing with drugs is becoming more of a concern.<sup>4</sup>
- Satisfaction with Barnet Police and the council dealing with anti-social behaviour and crime in the local area have seen a significant drop since 2010/11.

## 3. Methodology

The survey was conducted on behalf of the London Borough of Barnet by ORS Ltd, an independent market research company.

Fieldwork took place from 1 October to 12 November 2012 with a representative sample of just over 1,600 residents from across Barnet. Telephone interviews were conducted using quota sampling to ensure the sample was representative of the wider population of Barnet. Quotas were set on age, gender, ethnic origin and housing tenure and were based on 2011 GLA population estimates. The data was

<sup>3</sup> This is a negative question so an increase in this perception is downward change

then weighted to correct any small discrepancies in terms of Barnet's actual population.

#### **4. Trend, regional and bench mark comparisons**

Trend data has been taken from Barnet's previous Residents' Perception Survey (last conducted in 10/11) and the former Annual Residents' Attitude Surveys (15 years of trend data and last conducted in 2007/08).

Some regional comparisons to London and national data have been made with the Survey of Londoners (12/13, TNS) conducted in October 2012 and the national Populous Survey (12/13) conducted from July to September 2012.

Further comparisons have been made to the former statutory Place and BVPI surveys; however caution should be applied when making direct comparisons to these former statutory surveys due to the different methodologies used.

## APPENDIX B: Sense of Place research

### 1. Background

The Sense of Place research project was commissioned by Barnet Council in summer 2012 to explore how residents could be encouraged to do more in their local communities, and to explore ways to redefine the relationship between residents and citizens.

It was carried out in four wards selected to broadly represent Barnet's diverse localities: West Finchley, East Barnet, Burnt Oak and Garden Suburb.

The findings in this report are based on 1600 surveys with residents (split between the four wards), 51 surveys with frontline staff who work in these areas, 77 surveys with businesses, 12 discussion groups with residents, two discussion groups with staff, and two deliberative events.

### 2. Headline findings

#### 2.1 Satisfaction with local area

- Satisfaction levels with area are consistently high except for Burnt Oak, where they were almost a third lower than the average for other areas (60% satisfaction in Burnt Oak versus 81% - 90% in other wards).
- There is a significant correlation between satisfaction and age – **satisfaction peaks for ages 35 to 44 and for people aged over 75.**
- Satisfaction was lowest among **those aged 55 to 64 (76%) and those aged 45 to 54 (79%).**
- 78% of respondents said that they feel their area is a place where people from different backgrounds and cultures get on well together, 11% disagreed. People who describe their ethnicity as White British were less likely to believe that their area is a place where people get on well than people from ethnic minorities.
- Burnt Oak residents are much less likely to believe that their area is a place where people from different backgrounds and cultures get on well together, with concerns over make up of the high street and integration of new communities raised as concerns.

#### 2.2 Area-specific findings

- **Burnt Oak:** Residents **valued shops, parks and green spaces, and transport links.** Parks were named by a lower proportion of people than the average for Barnet. People also valued the friendliness of the community and its diversity. **The most common things people wanted to change in Burnt Oak were the upkeep of the area and levels of anti-social behaviour,** particularly on the streets around the station. Some people also felt that the area was a less attractive shopping destination than it had been. There was some disagreement between residents about whether Burnt Oak has a sense of community.

- **West Finchley:** Residents valued transport, parks and green spaces and shops, and 'other services' such as children's centres or refuse collection. People were more positive about their area than in Burnt Oak. **Parking was an area where people advocated change.** Others felt that the area did **not have the right balance of shops**, and this meant that it was **less attractive** than it had been. Delegates were almost unanimous that the area has a good sense of community; though some people did feel that the area was changing, and that changing tenure patterns meant that population turnover was increasing.
- **East Barnet:** Residents were the most positive about their area in both discussion groups and surveys. **Parks and green spaces were by far the most popular** thing about the area, followed by shops – many people specifically referred to the fact that there are many local and independent shops, the library and the village feel. **The two most significant issues for residents were around anti-social behaviour and parking.** Several said that young people hanging around on the streets were a problem, and some reported drug dealing on their roads and problems with a particular pub. East Barnet residents had the **strongest belief that there was community spirit. People often connected this with the 'rural' or 'village' nature of the area.** A few people felt that sense of community was declining, this tended to be based on changing tenure patterns.
- **Hampstead Garden Suburb:** Residents of Garden Suburb particularly valued **shops, safety, and parks and green spaces** – particularly Hampstead Heath and the trees and green squares within the Suburb itself. Responses were more widely distributed than in the other three areas: **transport, sense of community, and the clean and peaceful nature of the area** also scored highly. Concerns about Garden Suburb were generally based on either the **lack of facilities in the area or on the speed of traffic.** Many people were unhappy about the relocation of the Institute and some regretted the lack of a secondary school for boys and girls which admits local children. Perceptions of sense of community in Garden Suburb were varied. Broadly, people who had lived in the area for longer tended to feel that it had a sense of community (although some of these felt it was declining), whereas newer residents tended to believe the opposite.

### 2.3 Knowledge and awareness of cuts

- **28% of residents were unaware that Barnet Council was making cuts;** 21% had experienced an impact and a further 27% fear an impact.
- **Over half of businesses (57%) said that they were unaware that Barnet Council was making cuts.** There was also confusion about what services are provided by the council – for example, over a quarter of businesses said that the council could help them by improving policing.
- This suggests that the council's work to prevent deep cuts to frontline services may have been broadly effective – although it is possible that this will change in the future with further reductions. However, it also creates a challenge: if residents don't realise that the current arrangement is broken and cuts are being made, negotiating a new deal will be a challenge.
- In terms of differences in attitude between local areas, **respondents in Burnt Oak were more than twice as likely to feel that their area was not treated fairly in terms of resource allocation, although they also felt most able to influence**



**local decisions.** Interestingly, respondents from Garden Suburb said they felt least able to influence local decisions.

### 2.4 Volunteering

- **The majority of Barnet residents have been involved in volunteering (40%) and/or informal caring (62%)** in the last year. This is true in all the areas we studied and of all age groups. Only 27% said that they were not involved in either.
- Both volunteering and caring are carried out by people of all ages, but **volunteering peaks for younger people and people aged 65 to 74**, probably because these groups are less likely to be economically active. Caring peaks at aged 45 to 54.
- The level of **help that people give varies** (from helping a neighbour with gardening a few times a year to providing full time care, from occasional involvement with school activities to weekly commitments), but there is a strong pattern of willingness to help.
- **Most people are reluctant to volunteer 'for the council'**. This tends to be because they feel this should not be their job, because they fear taking jobs from paid staff, and less loyalty to the council. However, **people will volunteer for council-run services like schools and children's centres**.
- Most people's motivations for volunteering include a mixture of some or all of enjoyment of the task, social pressure, belief in the cause, and extrinsic motivations – such as improving their CV.
- When presented with specific lists of volunteering opportunities, **more people said that they were interested in person-centric volunteering**.
- Common barriers to volunteering include difficulty finding out about local opportunities, a perception of excessive bureaucracy, and a fear that people could be forced to commit to something unsustainable which the recipient came to rely on.

### 2.5 Civic engagement

- The proportion of people agreeing or strongly agreeing that they have influence on decisions relating to their local area was relatively consistent across wards (33% to 38% agreement) except for Garden Suburb (26%). Conversely, Burnt Oak had the lowest rate of participation in local decision-making.

### 2.6 Profile of Barnet residents by 'Values'

- People living in our four research wards are more likely than people in the rest of England to be 'Prospectors'. This means that they are more likely to be motivated by self-esteem, esteem from others, and financial success. **'Prospectors' are the largest group in every ward and comprise at least 48% of the population** in all areas, and 51% overall. This compares to a national average of about 23%.
- The next largest group are **'Pioneers'**, who tend to be motivated by ethics, aesthetics and making the world a better place. These make up about a third of the population, slightly lower than the national average of about 39%.

- The smallest group are ‘**Settlers**’, who are motivated by tradition, safety, security and belonging. These make up about a sixth of the population of our four wards, rising to 22% in Burnt Oak. This compares to a national average of about 38%.
- White British people are much less likely than people from other ethnic groups to be ‘Prospectors’, and more likely to be ‘Settlers’ (20% versus 13% non-white British).
- ‘Settlers’ are more likely to be council or housing association tenants, and ‘Pioneers’ are more likely to own their own homes.

### 2.7 **Businesses**

We asked 77 local businesses across the four wards for their views on the council and community involvement. A third of these were branches of national or international organisations, and a third were local companies.

- Just under half of businesses were satisfied with their local area as a place to do business, but this varied significantly: 80% of branches of large firms, but only 31% of local companies.
- Parking emerged as the largest issue for businesses across Barnet – unprompted, 63% said that the council could help their business do better by changing parking restrictions or providing more parking. Concern about parking was highest in West Finchley and lowest in East Barnet.
- Just over half of all business people said that their company is involved in helping their community. This was highest for companies/branches with over 10 employees? and companies which are part of wider organisations. However, two in five sole traders and about half of smaller businesses were also involved.
- The most common ways to help were through charitable donations and free/products of services, but responses were very varied: from lawyers offering pro-bono work for vulnerable residents to a party goods company giving products to the local hospice.
- Despite this high level of current engagement, many businesses struggled to say how they could be encouraged to do more – this was often because of a very difficult financial environment.

**Appendix 3**

| <b>Medium Term Financial Strategy</b>                        | <b>2012/13<br/>£000</b> | <b>2012/13<br/>£000</b> | <b>2013/14<br/>£000</b> | <b>2014/15<br/>£000</b> | <b>2015/16<br/>£000</b> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <b>Budget</b>           | <b>Actual</b>           |                         |                         |                         |
| <b>Budget brought forward</b>                                |                         |                         | <b>291,998</b>          | <b>299,165</b>          | <b>290,243</b>          |
| <b>Statutory/cost drivers</b>                                |                         |                         |                         |                         |                         |
| Inflation (pay )   |                         |                         | 1,198                   | 1,210                   | 1,210                   |
| Inflation (non-pay)  |                         |                         | 3,057                   | 3,057                   | 3,057                   |
| North London Waste Authority (NLWA) levy                     |                         |                         | 303                     | 2,821                   | 564                     |
| Capital financing costs                                      |                         |                         | 2,250                   | 1,500                   | 1,500                   |
| <b>Statutory/cost drivers sub-total</b>                      |                         |                         | <b>6,808</b>            | <b>8,588</b>            | <b>6,331</b>            |
| <b>Central Expenses</b>                                      |                         |                         |                         |                         |                         |
| Contingency - general risks                                  |                         |                         | 1,774                   | (1,079)                 | 1,000                   |
| Temporary Accommodation                                      |                         |                         | 1,500                   |                         |                         |
| Council Tax Support  |                         |                         | 2,000                   | 600                     | 600                     |
| Concessionary Fares  |                         |                         | 326                     |                         |                         |
| Rate Relief Budget (no longer required)                      |                         |                         | (430)                   |                         |                         |
| Two year funding (now included in DSG)                       |                         |                         | (808)                   |                         |                         |
| Public Health Grant  |                         |                         | 13,799                  | 536                     |                         |
| <b>Central Expenses sub-total</b>                            |                         |                         | <b>18,161</b>           | <b>58</b>               | <b>1,600</b>            |
| <b>Balances to/(from) reserves</b>                           |                         |                         |                         |                         |                         |
| Specific reserves contribution 2012/13                       | 11,141                  | 11,141                  | (11,141)                |                         |                         |
| Specific reserves contribution 2013/14 New Homes Bonus (NHB) |                         |                         | 6,181                   | (6,181)                 |                         |
| Specific reserves contribution 2014/15 NHB                   |                         |                         |                         | 7,700                   | (7,700)                 |
| Specific reserves contribution 2015/16 NHB                   |                         |                         |                         |                         | 8,990                   |
| <b>Reserves sub-total</b>                                    |                         |                         | <b>(4,960)</b>          | <b>1,519</b>            | <b>1,290</b>            |
| <b>Total expenditure</b>                                     | <b>291,998</b>          | <b>291,998</b>          | <b>312,007</b>          | <b>309,330</b>          | <b>299,464</b>          |
| <b>New Formula grant funding</b>                             |                         |                         |                         |                         |                         |
| Formula Grant (2012/13 final year)                           | 90,635                  | 90,635                  |                         |                         |                         |
| Business Rates   |                         |                         | 33,608                  | 34,000                  | 35,000                  |
| Business Rates- Top up                                       |                         |                         | 17,436                  | 17,971                  | 18,438                  |
| Revenue Support Grant (RSG)                                  |                         |                         | 77,122                  | 64,262                  | 51,855                  |
| Transfers & Adjustments (2012/13 final year)                 |                         |                         |                         |                         |                         |
| Early Intervention grant                                     | 14,499                  | 14,499                  |                         |                         |                         |
| Learning disability  | 10,694                  | 10,694                  |                         |                         |                         |
| <b>New Formula grant sub-total</b>                           | <b>115,828</b>          | <b>115,828</b>          | <b>128,166</b>          | <b>116,233</b>          | <b>105,293</b>          |
| <b>Council Tax</b>   |                         |                         |                         |                         |                         |
| Council Tax (CT)   | 159,386                 | 159,386                 | 139,477                 | 140,278                 | 143,573                 |
| Collection Fund contribution                                 |                         |                         |                         | 1,500                   | 1,500                   |
| CT freeze grant 11-12  | 3,886                   | 3,886                   |                         |                         |                         |
| CT freeze grant 12-13  | 3,887                   | 3,887                   |                         |                         |                         |
| CT freeze grant 13-14  |                         |                         | 1,619                   | 1,619                   |                         |
| Core grants  |                         |                         |                         |                         |                         |
| Private Finance Initiative (PFI) credit                      | 2,235                   | 2,235                   | 2,235                   | 2,235                   | 2,235                   |
| LACSEG grant   | 700                     | 700                     | 4,404                   | 3,964                   | 3,567                   |
| NHB  | 2,813                   | 2,813                   | 6,181                   | 7,700                   | 8,990                   |
| Housing and CT Benefit Administration Grant                  | 3,000                   | 3,000                   | 2,705                   | 2,379                   | 2,141                   |
| Public Health  |                         |                         | 13,799                  | 14,335                  | 14,335                  |
| CT Support Grant   | 263                     | 263                     | 579                     |                         |                         |
| <b>Other funding sub-total</b>                               | <b>176,170</b>          | <b>176,170</b>          | <b>170,999</b>          | <b>174,010</b>          | <b>176,341</b>          |
| <b>Total Income from grant and Council Tax</b>               | <b>291,998</b>          | <b>291,998</b>          | <b>299,165</b>          | <b>290,243</b>          | <b>281,635</b>          |
| <b>Budget Gap before savings</b>                             | <b>0</b>                | <b>0</b>                | <b>12,842</b>           | <b>19,087</b>           | <b>17,829</b>           |
| <b>Proposed Savings</b>                                      |                         |                         | <b>(14,492)</b>         | <b>(20,637)</b>         | <b>(19,349)</b>         |
| <b>Proposed Pressures</b>                                    |                         |                         | <b>1,650</b>            | <b>1,550</b>            | <b>1,520</b>            |
| <b>Budget Gap after savings</b>                              |                         |                         | <b>0</b>                | <b>0</b>                | <b>0</b>                |

## REVENUE BUDGET 2013/14

|  | 2012/2013             |                    |  |                              |                     | 2013/2014            |
|--|-----------------------|--------------------|--|------------------------------|---------------------|----------------------|
|  | Original Estimate (1) | Current Estimate   | Virements, Transfers<br>& Reductions (2) | Restated Current<br>Estimate | Savings & Pressures | Original<br>Estimate |
|  | £                     | £                  |  | £                            |                     | £                    |
| <b>Council Services</b>                                  |                       |                    |  |                              |                     |                      |
| Adult Services   | 97,896,595            | 99,741,805         | (475,784)                                | 99,266,021                   | (3,211,000)         | 96,055,021           |
| Assurance  | 3,713,740             | 3,627,580          | 92,543                                   | 3,720,123                    | (109,000)           | 3,611,123            |
| Childrens Services                                       | 62,981,551            | 63,428,361         | (1,214,200)                              | 62,214,161                   | (4,488,000)         | 57,726,161           |
| Commissioning  | 5,817,954             | 5,783,237          | 947,541                                  | 6,730,778                    | 71,000              | 6,801,778            |
| Development and Regulatory Services (DRS)                | 3,011,710             | 3,487,805          | (912,643)                                | 2,575,162                    | (1,755,000)         | 820,162              |
| Housing Needs and Resources (HNR)                        | 2,861,139             | 3,061,139          | 447,080                                  | 3,508,219                    | (61,000)            | 3,447,219            |
| Legal  | 1,750,167             | 1,778,367          | 209,780                                  | 1,988,147                    | (80,000)            | 1,908,147            |
| New Support and Customer Service Organisation (NSCSO)    | 25,383,213            | 27,027,720         | (941,090)                                | 26,086,630                   | (1,908,000)         | 24,178,630           |
| Public Health  | 0                     | 0                  | 0  | 0                            | 0                   | 13,799,000           |
| Special Parking Account                                  | (6,895,970)           | (7,106,500)        | (19,140)                                 | (7,125,640)                  | (349,000)           | (7,474,640)          |
| Streetscene  | 21,194,001            | 22,526,805         | 800,132                                  | 23,326,937                   | (952,000)           | 22,374,937           |
| <b>Total</b>   | <b>217,714,100</b>    | <b>223,356,319</b> | <b>(1,065,781)</b>                       | <b>222,290,538</b>           | <b>(12,842,000)</b> | <b>223,247,538</b>   |
| Central Expenses (comprising);                           | 63,143,470            | 57,501,251         | 257,791                                  | 57,759,042                   | 11,978,000          | 69,737,042           |
| - Investment in school places                            |                       |                    |  |                              | 2,250,000           |                      |
| - Levies   |                       |                    |  |                              | 629,000             |                      |
| - Risks (including temp. accom. and Council Tax support) |                       |                    |  |                              | 4,844,000           |                      |
| - Inflation  |                       |                    |  |                              | 4,255,000           |                      |
| <b>Total Service Expenditure</b>                         | <b>280,857,570</b>    | <b>280,857,570</b> | <b>(807,990)</b>                         | <b>280,049,580</b>           | <b>(864,000)</b>    | <b>292,984,580</b>   |

(1) Service expenditure is presented in line with the restructured Council. Community Safety has moved from Environment to Adult Services. Libraries has moved from Chief Executive's to Children's Services. Remaining services formerly within the Environment, Planning and Regeneration service now form Streetscene. NSCSO and DRS delivery units have been created to reflect the services included within these procurements. The old departments of Chief Executive's, Deputy Chief Executive's, Corporate Governance and Commercial have been merged into the Commissioning and Assurance Groups. Public Health is a new budget line created to reflect the transfer of responsibility from the National Health Service to local government.

(2) A number of transfers and virements have been made between 2012/13 and 2013/14. £0.9m has been moved from NSCSO to legal and DRS to reflect the separation of support costs associated with these services. Budgets totalling £0.9m have moved from DRS and NSCSO into commissioning to reflect the contract management responsibilities in this new group. A total of £1.1m of savings have been made from senior management costs, these budgets have been taken out of departments to reflect the new Council structure. £0.5m has been transferred from DRS to Street Scene to reflect the retained services. Children's Services have a reduction in their base budget by £0.8m for the two year old funding as this is now funded from the Dedicated Schools Grant.

## REVENUE BUDGET 2013/14

|  | 2012/2013          |                    | Restated Current Estimate | 2013/2014           |
|--|--------------------|--------------------|---------------------------|---------------------|
|  | Original Estimate  | Current Estimate   |                           | Original Estimate   |
|  | £                  | £                  |                           | £                   |
| <b>Total Service Expenditure</b>   | <b>280,857,570</b> | <b>280,857,570</b> | <b>280,049,580</b>        | <b>292,984,580</b>  |
| Contribution to / (from) Specific Reserves   | 11,140,180         | 11,140,180         | 11,140,180                | 6,180,701           |
| Contribution to / (from) Balances  |                    |                    |                           |                     |
| <b>NET EXPENDITURE</b>   | <b>291,997,750</b> | <b>291,997,750</b> | <b>291,189,760</b>        | <b>299,165,281</b>  |
| Other Grants   | (41,977,000)       | (41,977,000)       | (41,977,000)              | (31,522,000)        |
| <b>BUDGET REQUIREMENT</b>  | <b>250,020,750</b> | <b>250,020,750</b> | <b>249,212,760</b>        | <b>267,643,281</b>  |
| Business rates retention   |                    |                    |                           | (33,608,000)        |
| Business rates top up  |                    |                    |                           | (17,436,000)        |
| <b>BUSINESS RATES INCOME</b>   | <b>0</b>           | <b>0</b>           | <b>0</b>                  | <b>(51,044,000)</b> |
| Formula Grant  | (90,635,000)       | (90,635,000)       | (90,635,000)              | (77,122,000)        |
| Collection Fund Adjustments  |                    |                    |                           |                     |
| <b>BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT</b>   | <b>159,385,750</b> | <b>159,385,750</b> | <b>158,577,760</b>        | <b>139,477,281</b>  |
| Greater London Authority - Precept   | 43,915,556         | 43,915,556         | 43,915,556                | 37,964,082          |
| <b>COUNCIL TAX REQUIREMENT</b>   | <b>203,301,306</b> | <b>203,301,306</b> | <b>202,493,316</b>        | <b>177,441,363</b>  |
| <b>Components of the Council Tax (Band D)</b>  |                    |                    |                           |                     |
|  | 2012/2013          | 2013/2014          | 2013/2014                 | Increase            |
|  | £                  | £                  | £                         |                     |
| Mayors Office for Policing and Crime   | 233.46             | 233.46             | 216.92                    | 0.00%               |
| London Fire & Emergency Planning Authority   | 41.83              | 41.83              | 49.87                     | 0.00%               |
| Mayor, Administration, Transport for London, Olympic Games and Boroughs' Collection Fund balances. | 31.43              | 27.71              | 36.21                     | (11.84%)            |
| <b>Greater London Authority</b>  | <b>306.72</b>      | <b>303.00</b>      | <b>303.00</b>             | <b>(1.21%)</b>      |
| <b>London Borough of Barnet</b>  | <b>1,113.20</b>    | <b>1,113.20</b>    | <b>1,113.20</b>           | <b>0.00%</b>        |
| <b>Total</b>   | <b>1,419.92</b>    | <b>1,416.20</b>    | <b>1,416.20</b>           | <b>(0.26%)</b>      |

# REVENUE BUDGET 2013/14

## COUNCIL TAX SUMMARY

| Council Tax Bands (based on property values @ 1 April 1991) |        | 2012/13  | 2013/2014 | Tax Yield   |
|---|--------|----------|-----------|-------------|
|   |        | £        | £         | £           |
| [Up to £40,000]   | Band A | 946.61   | 944.13    | 1,425,211   |
| [Over £40,000 & up to £52,000]                              | Band B | 1,104.38 | 1,101.49  | 6,358,021   |
| [Over £52,000 & up to £68,000]                              | Band C | 1,262.15 | 1,258.84  | 24,141,442  |
| [Over £68,000 & up to £88,000]                              | Band D | 1,419.92 | 1,416.20  | 24,119,614  |
| [Over £88,000 & up to £120,000]                             | Band E | 1,735.46 | 1,730.91  | 43,347,127  |
| [Over £120,000 & up to £160,000]                            | Band F | 2,051.00 | 2,045.63  | 34,256,668  |
| [Over £160,000 & up to £320,000]                            | Band G | 2,366.53 | 2,360.33  | 33,443,351  |
| [Over £320,000]   | Band H | 2,839.84 | 2,832.40  | 10,349,929  |
|   |        |          |           | 177,441,363 |

## COUNCIL TAXBASE

| Council Taxbase                               | 2012/13            | 2013/2014          |              |
|---|--------------------|--------------------|--------------|
|   | Band D Equivalents | Band D Equivalents | Income       |
| Total properties (per Valuation List)         | 162,698            | 164,244            | 232,602,353  |
| Exemptions                                    | (3,816)            | (4,094)            | (5,797,923)  |
| Disabled reductions                           | (117)              | (118)              | (167,112)    |
| Discounts (10%, 25% & 50%)                    | (12,776)           | (12,848)           | (18,195,338) |
| Adjustments                                   | (717)              | (19,612)           | (27,774,513) |
| Aggregate Relevant Amounts                    | 145,272            | 127,572            | 180,667,467  |
| Non-Collection (1.5% 2012/13 & 1.85% 2013/14) | (2,178)            | (2,365)            | (3,349,313)  |
| Contributions in lieu from MoD                | 84                 | 87                 | 123,209      |
|   | 143,178            | 125,294            | 177,441,363  |

## 2013/14 Budget Summary and Forward Plan

| Adult Social Services                  | 2013/14   | 2014/15           | 2015/16           |
|--|---|-------------------|-------------------|
|  | £   | £                 | £                 |
| Base Budget                            | 97,896,595  | 96,055,021        | 87,978,021        |
| Virements                              | 1,369,426   |                   |                   |
|  | <b>99,266,021</b>   | <b>96,055,021</b> | <b>87,978,021</b> |
| <b><u>Efficiencies</u></b>             |   |                   |                   |
| Social Work                            | Development of a 'New Social Work Model', which:<br>- increases use of case management capacity outside of the Council;<br>- promotes people's own management of their own care arrangements through direct payments;<br>- promotes development of shared packages of care for people living in close proximity to one another. | (450,000)         | (250,000)         |
| Commissioning & Transformation         | Integrating similar functions across health and social care commissioning to reduce management costs and support joined up services.  | (40,000)          |                   |
| Integration across Council             | Integrating similar functions across health and social care teams and provision to reduce management costs and deliver joined up services.  | (300,000)         |                   |
| Social Work - Long Term Conditions     | Closer working with the NHS on long term conditions.  | (40,000)          | (100,000)         |
| Younger Adults - All Groups            | Greater community and family involvement in supporting disabled people to lead ordinary lives.  | (465,000)         |                   |
| Learning & Development                 | Greater efficiencies in commissioning and provision of training and development opportunities for Adult Social Care.  | (30,000)          |                   |
| Across Services                        | Reductions in back office transactional functions through new ways of working and exploring new models.   | (189,000)         | (300,000)         |
| Across Services                        | Reduction of Strategic Commissioning capacity as service users directly commission services through direct payments.  |                   | (318,000)         |
| All Services                           | Sharing services with other Local Authorities and therefore reducing management costs.  | (300,000)         |                   |
| Across Services                        | Efficiencies through joint procurement with the NHS for Continuing Health Care.   |                   | (200,000)         |
| Younger Adults - Learning Disabilities | Implementation of a national costing model for all Supported Living placements.   | (100,000)         |                   |
| Cross-Cutting Savings                  | Implementation of a national costing model for all younger adults residential care placements.  | (168,000)         |                   |
| Cross-Cutting Savings                  | Working with providers to contain inflationary pressures.   | (600,000)         | (600,000)         |

| Adult Social Services                            |  | 2013/14   | 2014/15     | 2015/16 |
|--|--|-----------|-------------|---------|
|  |  | £         | £           | £       |
| Older Adults - Residential & Nursing Provision   | Reduction of 30 block residential beds to reflect falling admission rates into residential care and better use of the contract.  | (700,000) |             |         |
| Younger Adults: Physical Disabilities            | Ensuring that Direct Payments promote independence.  | (20,000)  |             |         |
| Younger Adults: Mental health                    | Enabling people to move from residential care into a home of their own with support.   | (150,000) |             |         |
| Younger Adults: Learning Disabilities            | A widespread revision of our Learning Disabilities service, including:<br>- integration with health teams;<br>- integration of with health computer systems;<br>- minimising the number of people placed outside of the borough;<br>- use of the care funding calculator to achieve better VfM.<br>- providing greater choice and independence to people transitioning from the Children's Service;<br>- implementing proportionate reviewing. |           | (1,900,000) |         |
| Older Adults and Younger Adults (all groups)     | Increased use of Telecare, Aids and Equipment to:<br>- support the enablement process;<br>- in the place of homecare;<br>- supporting people to move from residential care back into the community.  |           | (939,000)   |         |
| Younger Adults: Physical and Sensory Impairments | Cease all spot purchasing of residential and nursing placements for people with physical or sensory impairments.   |           | (200,000)   |         |
| Older Adults                                     | Development of a fracture service follow up, reducing home care placements resulting from hip and spine fractures.   |           | (171,000)   |         |
| Older Adults                                     | Reduce short term use of residential placements while people are having their home adapted, or are being rehoused, following release from hospital.  |           | (139,000)   |         |
| Older Adults and Younger Adults (all groups)     | Revision of our provision of equipment, in line with new retail model, following end of current contract.  |           | (120,000)   |         |
| Older Adults and Younger Adults (all groups)     | Innovative use of housing options to reduce levels of social care need, taking advantage of changes to the HRA.  |           | (200,000)   |         |
| Younger Adults: Mental Health                    | Achievement of lower unit costs from specialist Mental Health providers.   |           | (290,000)   |         |
| Older Adults and Younger Adults (all groups)     | Smarter procurement, delivered through better use of data, improved contracts, lean approach to care sourcing and improved scrutiny of areas of high spend.  |           | (300,000)   |         |
| Older Adults and Younger Adults (all groups)     | Introduction of 'adult placement' and 'shared lives' schemes into the borough, decreasing need for residential care.   |           | (330,000)   |         |
| Older Adults and Younger Adults (all groups)     | Concessionary Travel savings through centralised assessment and implementation of transport policy.  |           | (241,000)   |         |



| Adult Social Services                        |   | 2013/14            | 2014/15            | 2015/16            |
|--|---|--------------------|--------------------|--------------------|
|  |   | £                  | £                  | £                  |
| Younger Adults: Mental Health                | Rebalancing the Section 75 agreement with Barnet, Enfield and Harringey Mental Health Trust to ensure that we are receiving value for money for our contribution of staffing resources.                   |                    | (180,000)          | (500,000)          |
| Older Adults                                 | A review of cases to ensure that we are no longer providing services to meet outcomes which have been achieved or needs which have been resolved.   |                    | (20,000)           |                    |
| Older Adults and Younger Adults (all groups) | Conversion of people from homecare packages to direct payments, which are (on average) cheaper per hour of support provided.  |                    | (54,000)           |                    |
| Older Adults and Younger Adults (all groups) | Reviewing people's homes for potential adaptation to avoid admission into residential care.   |                    | (206,000)          | (394,000)          |
| Younger Adults: Learning Disabilities        | Introduction of 'key ring' schemes to the borough to reduce housing related support spend for people with a learning disability.  |                    | (125,000)          |                    |
| Community Protection Group                   | Savings from shared service including de-layering of management responsibilities.   | (37,000)           |                    |                    |
| Leisure                                      | Savings following Leisure Services Review.  |                    | (967,000)          |                    |
| Across Services                              | Project to design integrated day-care and leisure services and decommission and reprovide day-care services.  |                    |                    | (660,000)          |
| Across Services                              | Reduction of total of new residential care home placements by delaying admission by average of 3 months   |                    |                    | (310,000)          |
| Across Services                              | Savings to be identified through working with NSCSO provider to improve efficiency and self service.  |                    | (1,000,000)        | (2,000,000)        |
| Across Services                              | Increase carer funding, targeted support for young carers, carers enablement service, accelerate existing investment to deliver reduction in res care, reduced care packages, and alternative to res care |                    |                    | (550,000)          |
| Older Adults                                 | Utilise HRA to develop Retirement Village concept 100 blocks.   |                    |                    | (520,000)          |
| Older Adults                                 | Utilise HRA to develop dementia mixed model of housing units 50 units based on Housing Strategy needs analysis.   |                    |                    | (690,000)          |
| Younger Adults                               | Utilise HRA to develop wheelchair accessible independent accommodation  |                    |                    | (1,500,000)        |
|  |   | <b>(3,589,000)</b> | <b>(8,850,000)</b> | <b>(8,424,000)</b> |
|  |   |                    |                    |                    |

| <b>Adult Social Services</b>     |   | <b>2013/14</b>    | <b>2014/15</b>    | <b>2015/16</b>    |
|----------------------------------|---|-------------------|-------------------|-------------------|
|                                  |   | <b>£</b>          | <b>£</b>          | <b>£</b>          |
| <b><u>Service Reductions</u></b> |   |                   |                   |                   |
| Supporting People                | Annual savings levied on supporting people contracts.   | (210,000)         |                   |                   |
| Supporting People                | Reduction of the contract value for Generic Floating Support (flexible support to allow people to live independently in their own accomodation)         | (132,000)         |                   |                   |
| Drugs & Alcohol Service          | Greater use of non residential rehab placements for people with substance misuse.   | (10,000)          |                   |                   |
|                                  |   | <b>(352,000)</b>  | <b>0</b>          | <b>0</b>          |
| <b><u>Income</u></b>             |   |                   |                   |                   |
| Revenue Income Optimisation      | Implementation of Revenue Income Optimisation project.  | (30,000)          | (27,000)          |                   |
| Revenue Income Optimisation      | Make all community services chargeable through implementation of a new fairer contributions policy based on ability to pay.                             | (40,000)          |                   |                   |
|                                  |   | <b>(70,000)</b>   | <b>(27,000)</b>   | <b>0</b>          |
| <b><u>Pressures</u></b>          |   |                   |                   |                   |
|                                  | Demographics pressures due to increase in those with social care needs especially those with Learning Disabilities and Older Adults including dementia. | 800,000           | 800,000           | 800,000           |
|                                  |   | <b>800,000</b>    | <b>800,000</b>    | <b>800,000</b>    |
| <b><u>Invest to Save</u></b>     |   |                   |                   |                   |
| -                                | -   | -                 | -                 | -                 |
|                                  |   | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Budget</b>                    |   | <b>96,055,021</b> | <b>87,978,021</b> | <b>80,354,021</b> |

## Adults & Communities

| Profit center                           | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|---|------------------------------|-----------------------------|------------------------------|
| * Births Deaths & Marriages             | (230,210)                    | (229,530)                   | (260,210)                    |
| * Community Well-Being Trans & Res Team | 517,892                      | 288,077                     | 75,797                       |
| * Community Safety                      | 2,004,916                    | 2,207,754                   | 1,969,213                    |
| * Prevention & Well Being               | 5,460,807                    | 8,454,183                   | 7,669,883                    |
| * Social Care Commissioning             | 4,447,808                    | 1,530,128                   | 1,279,449                    |
| * CWB Management                        | 0                            | 0                           | 388,480                      |
| ** Community Well-being                 | 12,201,213                   | 12,250,612                  | 11,122,612                   |
| * Social Care Management                | 748,100                      | 460,186                     | 1,281,270                    |
| * Care Quality                          | 1,648,397                    | 2,034,478                   | 1,926,478                    |
| * Integrated care - LD & MH             | 42,920,927                   | 42,764,384                  | 41,937,964                   |
| * Integrated care - OP & DP             | 39,638,807                   | 41,964,059                  | 39,602,747                   |
| ** Adults Social Care                   | 84,956,231                   | 87,223,107                  | 84,748,459                   |
| ** Dir Adult Soc Serv & Health          | 739,151                      | 268,086                     | 183,950                      |
| *** Total                               | 97,896,595                   | 99,741,805                  | 96,055,021                   |

| Subjective Analysis                       | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|---|------------------------------|-----------------------------|------------------------------|
| * Employee Related                        | 20,363,657                   | 15,869,818                  | 14,732,284                   |
| * Premises Related                        | 350,255                      | 271,285                     | 270,605                      |
| * Transport Related                       | 1,172,231                    | 1,141,781                   | 1,126,831                    |
| * Supplies and Services                   | 11,614,654                   | 9,808,910                   | 10,435,020                   |
| * Third Party Payments                    | 74,085,431                   | 83,955,274                  | 81,603,934                   |
| * Transfer Payments                       | 5,168,222                    | 5,168,222                   | 5,109,002                    |
| * Secondary Recharges                     | 0                            | 24,150                      | 24,150                       |
| ** Expenditure Total                      | 112,754,450                  | 116,239,440                 | 113,301,826                  |
| * Government Grants                       | (304,734)                    | (304,734)                   | (304,734)                    |
| * Other Grants, Reimbursements & Contribs | (3,527,631)                  | (5,105,886)                 | (5,105,056)                  |
| * Customer & Client Receipts              | (11,025,490)                 | (11,087,015)                | (11,837,015)                 |
| ** Income Total                           | (14,857,855)                 | (16,497,635)                | (17,246,805)                 |
| *** Total                                 | 97,896,595                   | 99,741,805                  | 96,055,021                   |

## 2013/14 Budget Summary and Forward Plan

| Assurance   | 2013/14          | 2014/15          | 2015/16          |
|---|------------------|------------------|------------------|
|   | £                | £                | £                |
| Base Budget   | 3,713,740        | 3,611,123        | 3,571,123        |
| Virements   | 6,383            |                  |                  |
|   | <b>3,720,123</b> | <b>3,611,123</b> | <b>3,571,123</b> |
| <b><u>Efficiencies</u></b>                          |                  |                  |                  |
| Crime and Anti Fraud Team (CAFT)                    | (9,000)          |                  |                  |
| Governance      Savings to Member Training.         |                  | (20,000)         |                  |
| CAFT            Reduction of supplies and services. |                  | (20,000)         |                  |
| Cross-directorate   Expenditure reduction.          | (10,000)         |                  |                  |
| Cross-directorate   Rationalisation.                | (40,000)         |                  |                  |
|   | <b>(59,000)</b>  | <b>(40,000)</b>  | <b>0</b>         |
| <b><u>Service Reductions</u></b>                    |                  |                  |                  |
| Governance      Reorganisation                      | (50,000)         |                  |                  |
|   | <b>(50,000)</b>  | <b>0</b>         | <b>0</b>         |
| <b>Budget</b>                                       | <b>3,611,123</b> | <b>3,571,123</b> | <b>3,571,123</b> |

## Assurance

| Profit center           | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|-------------------------|------------------------------|-----------------------------|------------------------------|
| * Assurance Management  | 0                            | 0                           | 561,108                      |
| * Governance            | 2,704,400                    | 2,622,650                   | 2,177,295                    |
| * Internal Audit & CAFT | 1,009,340                    | 1,004,930                   | 872,720                      |
| <b>** Total</b>         | <b>3,713,740</b>             | <b>3,627,580</b>            | <b>3,611,123</b>             |

| Subjective Analysis          | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|------------------------------|------------------------------|-----------------------------|------------------------------|
| * Employee Related           | 3,499,603                    | 3,327,123                   | 3,307,876                    |
| * Premises Related           | 9,200                        | 9,200                       | 9,200                        |
| * Transport Related          | 5,820                        | 5,820                       | 5,820                        |
| * Supplies and Services      | 250,277                      | 340,997                     | 343,787                      |
| * Third Party Payments       | 250                          | 250                         | 250                          |
| * Secondary Recharges        | (6,280)                      | (10,680)                    | (10,680)                     |
| <b>** Expenditure Total</b>  | <b>3,758,870</b>             | <b>3,672,710</b>            | <b>3,656,253</b>             |
| * Customer & Client Receipts | (45,130)                     | (45,130)                    | (45,130)                     |
| <b>** Income Total</b>       | <b>(45,130)</b>              | <b>(45,130)</b>             | <b>(45,130)</b>              |
| <b>*** Total</b>             | <b>3,713,740</b>             | <b>3,627,580</b>            | <b>3,611,123</b>             |

## 2013/14 Budget Summary and Forward Plan

| Central Expenses                 |  | 2013/14           | 2014/15           | 2015/16           |
|----------------------------------|--|-------------------|-------------------|-------------------|
|                                  |  | £                 | £                 | £                 |
| Base Budget                      |  | 63,143,470        | 69,737,042        | 78,350,042        |
| Virements                        |  | (5,814,428)       |                   |                   |
|                                  |  | <b>57,329,042</b> | <b>69,737,042</b> | <b>78,350,042</b> |
| <b><u>Pressures</u></b>          |  |                   |                   |                   |
| Contingency                      | General provision to for risks in service areas  | 1,774,000         | (575,000)         | 1,000,000         |
| Contingency                      | Provision for the Council tax discount scheme take up due to the council tax benefit changing to council tax discount. | 2,000,000         | 600,000           | 600,000           |
| Contingency                      | General provision for inflation  | 4,255,000         | 4,267,000         | 4,267,000         |
| Levies                           | Increase in North London Waste Authority Levy  | 303,000           | 2,821,000         | 564,000           |
| Levies                           | Increase in Concessionary fares levy due to the increase in the cost of travel by TFL                                  | 326,000           |                   |                   |
| Capital Financing                | Increase in capital financing costs resulting from capital programme commitments                                       | 2,250,000         | 1,500,000         | 1,500,000         |
| Contingency                      | Impact on Welfare reform on temporary accomodation income  | 1,500,000         |                   |                   |
|                                  |  | <b>12,408,000</b> | <b>8,613,000</b>  | <b>7,931,000</b>  |
| <b><u>Service Reductions</u></b> |  |                   |                   |                   |
|                                  |  | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b><u>Income</u></b>             |  |                   |                   |                   |
|                                  |  | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Budget</b>                    |  | <b>69,737,042</b> | <b>78,350,042</b> | <b>86,281,042</b> |

## Central Expenses

| Profit center                         | Original<br>Estimate<br>2012/13 | Current<br>Estimate<br>2012/13 | Original<br>Estimate<br>2013/14 |
|---------------------------------------|---------------------------------|--------------------------------|---------------------------------|
| 10015 Corporate Subscriptions         | 314,220                         | 314,220                        | 314,220                         |
| 10016 Levies                          | 27,831,050                      | 27,632,050                     | 28,460,050                      |
| 10017 Central Contingency             | 9,275,190                       | 4,080,971                      | 13,245,161                      |
| 10018 Rate Relief                     | 433,300                         | 433,300                        | 3,300                           |
| 10019 Capital Financing               | 19,468,670                      | 19,219,670                     | 21,469,670                      |
| 10699 Early Retirement(NT)            | 2,820,380                       | 2,820,380                      | 3,243,981                       |
| 10700 Corporate Fees & Charges        | 798,940                         | 798,940                        | 798,940                         |
| 10718 Car Leasing                     | 2,210                           | 2,210                          | 2,210                           |
| 10849 Early Retirement Costs Teachers | 2,183,340                       | 2,183,340                      | 2,183,340                       |
| 11121 Miscellaneous Finance           | 16,170                          | 16,170                         | 16,170                          |
| <b>* Total</b>                        | <b>63,143,470</b>               | <b>57,501,251</b>              | <b>69,737,042</b>               |

| Subjective Analysis                       | Original<br>Estimate<br>2012/13 | Current<br>Estimate<br>2012/13 | Original<br>Estimate<br>2013/14 |
|---|---------------------------------|--------------------------------|---------------------------------|
| * Employee Related                        | 3,739,680                       | 3,739,680                      | 4,163,281                       |
| * Premises Related                        | 829,490                         | 829,490                        | 829,490                         |
| * Transport Related                       | 2,210                           | 2,210                          | 2,210                           |
| * Supplies and Services                   | 1,736,140                       | 1,736,140                      | 1,736,140                       |
| * Third Party Payments                    | 27,996,880                      | 27,797,880                     | 28,625,880                      |
| * Transfer Payments                       | 431,180                         | 431,180                        | 1,180                           |
| * Capital Financing Costs                 | 29,550,100                      | 24,355,881                     | 33,520,071                      |
| ** Expenditure Total                      | 64,285,680                      | 58,892,461                     | 68,878,252                      |
| * Other Grants, Reimbursements & Contribs | (18,130)                        | (18,130)                       | (18,130)                        |
| * Customer & Client Receipts              | 176,040                         | 176,040                        | 176,040                         |
| * Interest                                | (1,300,120)                     | (1,549,120)                    | 700,880                         |
| ** Income Total                           | (1,142,210)                     | (1,391,210)                    | 858,790                         |
| <b>*** Total</b>                          | <b>63,143,470</b>               | <b>57,501,251</b>              | <b>69,737,042</b>               |

## Central Expenses (Levies)

| Levies  | Original Estimate<br>2012/13<br>£ | Current Estimate<br>2012/13<br>£ | Original Estimate<br>2013/14<br>£ |
|---|-----------------------------------|----------------------------------|-----------------------------------|
| <u>Other Establishments - Third part Payments</u> |                                   |                                  |                                   |
| Environment Agency                                | 280,730                           | 280,730                          | 280,730                           |
| Lea Valley Regional Park                          | 428,350                           | 428,350                          | 428,350                           |
| London Pension Funds                              | 787,000                           | 787,000                          | 787,000                           |
| Traffic Control Signals Unit                      | 479,400                           | 479,400                          | 479,400                           |
| Concessionary Fares                               | 14,967,280                        | 14,967,280                       | 15,293,280                        |
|   | <b>16,942,760</b>                 | <b>16,942,760</b>                | <b>17,268,760</b>                 |
| <u>Joint Authorities - Third Party Payments</u>   |                                   |                                  |                                   |
| North London Waste Authority                      | 9,458,800                         | 9,458,800                        | 9,761,800                         |
| Coroners Court                                    | 284,000                           | 284,000                          | 284,000                           |
|   | <b>9,742,800</b>                  | <b>9,742,800</b>                 | <b>10,045,800</b>                 |
| <u>Other Local Authorities - Third Party</u>      |                                   |                                  |                                   |
| London Boroughs Grants                            | 1,145,490                         | 1,145,490                        | 1,145,490                         |
| <b>Total Levies</b>                               | <b>27,831,050</b>                 | <b>27,831,050</b>                | <b>28,460,050</b>                 |



## 2013/14 Budget Summary and Forward Plan

| Childrens Services   |  | 2013/14           | 2014/15           | 2015/16           |
|--|--|-------------------|-------------------|-------------------|
|  |  | £                 | £                 | £                 |
| Base Budget  |  | 62,981,551        | 57,726,161        | 52,701,161        |
| Virements  |  | (767,390)         |                   |                   |
|  |  | <b>62,214,161</b> | <b>57,726,161</b> | <b>52,701,161</b> |
| <b>Efficiencies</b>  |  |                   |                   |                   |
| Early Intervention & Prevention  | Saving on the use of high end, high cost acute services as a result of investment in early intervention and prevention services and by making best use of the Troubled Families Grant. Ensuring no increase in use of high cost services in the context of significant demographic growth. | (1,257,000)       | (1,050,000)       |                   |
| Communications, performance, workforce development, commissioning and administration | Restructure and reduce communications, performance, workforce development, commissioning and administration support functions. Re-organisation consequent on the senior management restructure.  | (100,000)         | (100,000)         |                   |
| High cost services   | Mitigating inflation associated with costs of supporting high cost, high need services   | (500,000)         | (500,000)         | (500,000)         |
| Children's Social Care   | Reduce social care learning and development budget for staff, ceasing trainee scheme.  |                   | (526,000)         |                   |
| Training   | Reduction in training budget.  |                   |                   | (90,000)          |
| Transport savings  | Achieve efficiencies within transport costs for children in care and children with Special Educational Need through improved contracting and demand management   | (1,000,000)       | (500,000)         |                   |
| Complex needs (including special educational needs)                                  | Achieve efficiencies through delegating funding to families via personalised budgets.  |                   | (80,000)          |                   |
| Complex needs  | Reshape complex needs services.  | (280,000)         |                   |                   |
| Service Management   | Achieve efficiencies through jointly procuring, commissioning and/or delivering services with other public sector providers or other organisations.  |                   | (300,000)         |                   |
| Libraries  | Libraries Strategy   | (798,000)         | (85,000)          | (119,000)         |
| Integration with adults  | Integration of back office functions   | (125,000)         | (125,000)         |                   |
| Integration with adults  | Integration of safeguarding boards and function  | (25,000)          | (10,000)          |                   |
| Reduce CS management costs   | Reduction of management costs  |                   | (80,000)          | (125,000)         |
| Social care  | Review Children's Homes  |                   |                   | (100,000)         |
| Safeguarding   | Efficiencies from new model for case conferences   | (60,000)          |                   |                   |
| Children's service   | Introduce managed vacancy factor   |                   | (500,000)         | (500,000)         |
| Youth Offending Service  | Achieve efficiencies through working with other LAs  |                   | (50,000)          | (50,000)          |
| Children's Social Care   | Review fostering and achieve efficiencies through working with other LAs, including through WLA and NLSA.  |                   |                   | (660,000)         |

## 2013/14 Budget Summary and Forward Plan

| <b>Childrens Services</b>                                  |   | <b>2013/14</b>     | <b>2014/15</b>     | <b>2015/16</b>     |
|--|---|--------------------|--------------------|--------------------|
|  |   | <b>£</b>           | <b>£</b>           | <b>£</b>           |
| Children's Social Care                                     | Further review placement costs and achieve efficiencies through working with other LAs and demand management through early intervention                 |                    |                    | (160,000)          |
| Across Services  | Savings to be identified through working with NSCSO provider to improve efficiency and self service   |                    |                    | (1,500,000)        |
| Across services  | Regrading of posts in line with corporate proposal.   |                    |                    | (400,000)          |
| Across services  | Transformation of services through use of alternative delivery vehicles   |                    |                    | (450,000)          |
| Children's Social Care (c)                                 | Reconfigure services to deliver improvements, efficiencies and savings in children's social care  | (449,000)          |                    | (20,000)           |
| High needs   | Invest in aids, adaptations and telecare for children with high needs and their families to reduce the need for higher level support.                   |                    |                    | (100,000)          |
|  |   | <b>(4,594,000)</b> | <b>(3,906,000)</b> | <b>(4,774,000)</b> |
| <b>Service Reductions</b>                                  |   |                    |                    |                    |
| Youth Offer (b)  | Refocus youth offer to guarantee provision of statutory duties in line with recently published guidance making requirements on LAs clearer.             | (500,000)          |                    |                    |
| Sports development   | Reduce sports development and continue to promote sports development without additional investment  | (90,000)           |                    |                    |
| Substance misuse   | Reduce commissioned services for supporting and preventing substance misuse.  | (84,000)           |                    |                    |
| Early years  | Further reconfigure early years services.   |                    | (500,000)          | (700,000)          |
| Commissioned services for vulnerable children and families | Recommission contracts for short breaks and respite care, domestic violence services, early intervention and prevention services and youth homelessness |                    | (1,000,000)        |                    |
| Schools and Learning (2)                                   | Reduce school challenge and support service, including educational welfare for primary  |                    | (333,000)          |                    |
|  |   | <b>(674,000)</b>   | <b>(1,833,000)</b> | <b>(700,000)</b>   |

## 2013/14 Budget Summary and Forward Plan

| Childrens Services  | 2013/14           | 2014/15           | 2015/16           |
|---|-------------------|-------------------|-------------------|
|   | £                 | £                 | £                 |
| <b><u>Income</u></b>  |                   |                   |                   |
| Increase fees and charges      Increase fees and charges, with a focus on making BPSI fully funded  | (70,000)          | (36,000)          |                   |
|   | <b>(70,000)</b>   | <b>(36,000)</b>   | <b>0</b>          |
| <b><u>Pressures</u></b>   |                   |                   |                   |
| Demand led statutory and targeted services<br>(e.g. children in care, child protection, disabled children, youth offending, family support)   | 750,000           | 750,000           | 720,000           |
| Libraries      The current libraries service staffing structure is underfunded: this investment, together with a £490k staffing restructure will ensure the service is able to deliver required savings and the libraries strategy commitments. | 100,000           |                   |                   |
|   | <b>850,000</b>    | <b>750,000</b>    | <b>720,000</b>    |
| <b>Budget</b>   | <b>57,726,161</b> | <b>52,701,161</b> | <b>47,947,161</b> |

**Childrens Service**

| <b>Profit center</b>                     | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|--|--------------------------------------|-------------------------------------|--------------------------------------|
| ** Childrens management                  | 2,839,570                            | 2,127,100                           | 1,581,080                            |
| ** Blocked Cost Centres CHILDRENS        | 165,725                              | 0                                   | 0                                    |
| *** Director of Childrens Service        | 3,005,295                            | 2,127,100                           | 1,581,080                            |
| ** Assessment & Children in Need         | 7,843,120                            | 8,055,388                           | 7,837,468                            |
| ** Children in Care & Provider Services  | 21,061,818                           | 21,685,630                          | 21,301,780                           |
| ** Safeguarding & Quality Assurance      | 2,482,600                            | 2,681,700                           | 2,283,540                            |
| ** Social Care management Team           | 0                                    | 0                                   | 260,780                              |
| *** Childrens Social Care                | 31,387,538                           | 32,422,718                          | 31,683,568                           |
| ** Commissioning & business improvement  | 2,892,133                            | 3,775,142                           | 2,568,822                            |
| ** Family Support & Early Intervention   | 7,502,286                            | 7,080,524                           | 6,637,444                            |
| ** Youth & Community                     | 9,276,725                            | 9,325,808                           | 7,832,308                            |
| *** Early Intervention & Prevention      | 19,671,144                           | 20,181,474                          | 17,038,574                           |
| ** Edu Partnership & Commercial Services | 1,818,026                            | 1,807,214                           | 1,761,634                            |
| ** High Needs Support                    | 7,231,150                            | 6,981,150                           | 5,752,600                            |
| *** Education                            | 9,049,176                            | 8,788,364                           | 7,514,234                            |
| **** <b>Total</b>                        | <b>63,113,153.00</b>                 | <b>63,519,656.00</b>                | <b>57,817,456.00</b>                 |

| <b>Subjective Analysis</b>                | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|---|--------------------------------------|-------------------------------------|--------------------------------------|
| * Employee Related                        | 35,719,181                           | 37,795,544                          | 35,052,598                           |
| * Premises Related                        | 1,357,030                            | 1,354,827                           | 1,172,310                            |
| * Transport Related                       | 3,944,473                            | 4,001,544                           | 3,466,285                            |
| * Supplies and Services                   | 11,677,191                           | 11,292,195                          | 9,639,220                            |
| * Third Party Payments                    | 17,152,059                           | 16,981,692                          | 16,479,207                           |
| * Transfer Payments                       | 4,380,250                            | 4,828,590                           | 4,828,590                            |
| * Capital Financing Costs                 | 0                                    | (35,000)                            | (35,000)                             |
| * Secondary Recharges                     | 303,190                              | 303,190                             | 303,190                              |
| ** Expenditure Total                      | 74,533,374                           | 76,522,582                          | 70,906,400                           |
| * Government Grants                       | (1,043,010)                          | (1,465,509)                         | (1,434,280)                          |
| * Other Grants, Reimbursements & Contribs | (710,942)                            | (1,000,380)                         | (737,400)                            |
| * Customer & Client Receipts              | (9,666,269)                          | (10,537,037)                        | (10,917,264)                         |
| ** Income Total                           | (11,420,221)                         | (13,002,926)                        | (13,088,944)                         |
| *** <b>Total</b>                          | <b>63,113,153.00</b>                 | <b>63,519,656.00</b>                | <b>57,817,456.00</b>                 |

**Childrens Service DSG**

| <b>Profit center</b>                        | <b>Original Estimate 2012/13</b> | <b>Current Estimate 2012/13</b> | <b>Original Estimate 2013/14</b> |
|---|----------------------------------|---------------------------------|----------------------------------|
| ** Individual Schools Budget                | 230,046,065                      | 183,944,498                     | 171,472,303                      |
| ** Central Provision within Schools         | 1,600,390                        | 1,637,256                       | 1,637,256                        |
| ** Dedelegated Items                        | 2,253,211                        | 2,249,915                       | 2,396,310                        |
| ** Early Years Budget - Central Expenditure | 1,303,718                        | 991,120                         | 4,951,120                        |
| ** DSG and EFA Funding                      | (250,780,861)                    | (207,174,362)                   | (223,146,044)                    |
| ** High Needs                               | 15,445,875                       | 18,260,278                      | 42,597,760                       |
| <b>Grand Total</b>                          | <b>(131,602)</b>                 | <b>(91,295)</b>                 | <b>(91,295)</b>                  |

| <b>Subjective Analysis</b>                | <b>Original Estimate 2012/13</b> | <b>Current Estimate 2012/13</b> | <b>Original Estimate 2013/14</b> |
|---|----------------------------------|---------------------------------|----------------------------------|
| * Employee Related                        | 6,762,138                        | 6,108,795                       | 7,180,904                        |
| * Premises Related                        | 41,560                           | 48,790                          | 48,790                           |
| * Transport Related                       | 492,290                          | 478,990                         | 478,990                          |
| * Supplies and Services                   | 1,153,335                        | 817,211                         | 4,097,211                        |
| * Third Party Payments                    | 19,537,310                       | 23,763,584                      | 49,601,066                       |
| * Transfer Payments                       | 224,311,676                      | 177,504,107                     | 163,286,198                      |
| ** Expenditure Total                      | 252,298,309                      | 208,721,477                     | 224,693,159                      |
| * Government Grants                       | (250,780,861)                    | (207,174,362)                   | (223,146,044)                    |
| * Other Grants, Reimbursements & Contribs | (1,626,390)                      | (1,619,730)                     | (1,619,730)                      |
| * Customer & Client Receipts              | (22,660)                         | (18,680)                        | (18,680)                         |
| ** Income Total                           | (252,429,911)                    | (208,812,772)                   | (224,784,454)                    |
| <b>*** Total</b>                          | <b>(131,602)</b>                 | <b>(91,295)</b>                 | <b>(91,295)</b>                  |

## 2013/14 Budget Summary and Forward Plan

| Commissioning                    |   | 2013/14          | 2014/15          | 2015/16          |
|----------------------------------|---|------------------|------------------|------------------|
|                                  |   | £                | £                | £                |
| Base Budget                      |   | 5,817,954        | 6,801,778        | 6,101,778        |
| Virements                        |   | 912,824          |                  |                  |
|                                  |   | <b>6,730,778</b> | <b>6,801,778</b> | <b>6,101,778</b> |
| <b><u>Efficiencies</u></b>       |   |                  |                  |                  |
| Third sector commissioning       | Recharge from London Levy reduction to support reprofile of library strategy implementation following consultation and to make time for community bids to be fully considered. To be reimbursed in 2013/14. | 200,000          |                  |                  |
| Across Service                   | Senior Management Restructure.  | (150,000)        | (270,000)        |                  |
| Across Service                   | Restructure and re-organisation consequent on the Senior Management re-structure  |                  | (340,000)        | (800,000)        |
| Strategy                         | Savings in data and technology budget   | (50,000)         | (10,000)         |                  |
|                                  |   | <b>0</b>         | <b>(620,000)</b> | <b>(800,000)</b> |
| <b><u>Service Reductions</u></b> |   |                  |                  |                  |
| Third sector commissioning       | Reduction in funding for the Arts preventative programme.   | (8,000)          |                  |                  |
| Third sector commissioning       | Reduce Community Barnet core funding.   | (10,000)         |                  |                  |
| Third sector commissioning       | Refocus community advice services to greater target need.   | (57,000)         |                  |                  |
| Human Resources                  | Trade Union   |                  | (80,000)         |                  |
|                                  |   | <b>(75,000)</b>  | <b>(80,000)</b>  | <b>0</b>         |
| <b><u>Income</u></b>             |   |                  |                  |                  |
| Strategic Finance                | Income recovery - VAT Fleming.  | 300,000          |                  |                  |
| Strategic Finance                | Increased income from deposits.   | (154,000)        |                  |                  |
|                                  |   | <b>146,000</b>   | <b>0</b>         | <b>0</b>         |
| <b>Budget</b>                    |   | <b>6,801,778</b> | <b>6,101,778</b> | <b>5,301,778</b> |

## Commissioning

| Profit center                    | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|----------------------------------|------------------------------|-----------------------------|------------------------------|
| ** Strategic Commissioning Board | 552,220                      | 467,360                     | 822,790                      |
| ** Commercial                    | 796,965                      | 989,628                     | 831,485                      |
| ** Operating (DCOO)              | 3,235,909                    | 3,655,719                   | 3,699,989                    |
| ** Commissioning Strategy        | 1,025,590                    | 913,260                     | 316,850                      |
| ** Commissioning Management Team | 207,270                      | (242,730)                   | 1,130,664                    |
| <b>*** Total</b>                 | <b>5,817,954</b>             | <b>5,783,237</b>            | <b>6,801,778</b>             |

| Subjective Analysis                       | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|---|------------------------------|-----------------------------|------------------------------|
| * Employee Related                        | 4,256,853                    | 4,610,726                   | 6,385,497                    |
| * Premises Related                        | 4,890                        | 4,890                       | 4,890                        |
| * Transport Related                       | 36,750                       | 35,920                      | 35,920                       |
| * Supplies and Services                   | 1,731,891                    | 1,441,501                   | 1,205,301                    |
| * Transfer Payments                       | 212,500,000                  | 212,500,000                 | 212,500,000                  |
| * Capital Financing Costs                 | (15,000)                     | (15,000)                    | (15,000)                     |
| * Secondary Recharges                     | (568,520)                    | (568,520)                   | (568,520)                    |
| <b>** Expenditure Total</b>               | <b>217,946,864</b>           | <b>218,009,517</b>          | <b>219,548,088</b>           |
| * Government Grants                       | (211,094,720)                | (211,175,470)               | (211,175,470)                |
| * Other Grants, Reimbursements & Contribs | (395,750)                    | (412,370)                   | (395,750)                    |
| * Customer & Client Receipts              | (638,440)                    | (638,440)                   | (1,220,520)                  |
| * Interest                                | 0                            | 0                           | 45,430                       |
| <b>** Income Total</b>                    | <b>(212,128,910)</b>         | <b>(212,226,280)</b>        | <b>(212,746,310)</b>         |
| <b>*** Total</b>                          | <b>5,817,954</b>             | <b>5,783,237</b>            | <b>6,801,778</b>             |

**2013/14 Budget Summary and Forward Plan**

| <b>Development and Regulatory Services</b> |   | <b>2013/14</b>     | <b>2014/15</b>     | <b>2015/16</b>   |
|--|---|--------------------|--------------------|------------------|
|  |   | <b>£</b>           | <b>£</b>           | <b>£</b>         |
| Base Budget                                |   | 3,011,710          | 820,162            | (534,838)        |
| Virements                                  |   | (436,548)          |                    |                  |
|  |   | <b>2,575,162</b>   | <b>820,162</b>     | <b>(534,838)</b> |
| <b>Efficiencies</b>                        |   |                    |                    |                  |
| Development and Regulatory Services        | Savings resulting from alternative service provision.               | (1,530,000)        | (1,355,000)        | (300,000)        |
|  |   | <b>(1,530,000)</b> | <b>(1,355,000)</b> | <b>(300,000)</b> |
| <b>Service Reductions</b>                  |   |                    |                    |                  |
| Streetscene                                | Others savings to be identified through DRS, NSCSO and streetscene. | (225,000)          |                    |                  |
|  |   | <b>(225,000)</b>   | <b>0</b>           | <b>0</b>         |
| <b>Budget</b>                              |   | <b>820,162</b>     | <b>(534,838)</b>   | <b>(834,838)</b> |



## Development and Regulatory Services

| Profit center              | Original<br>Estimate<br>2012/13 | Current<br>Estimate<br>2012/13 | Original<br>Estimate<br>2013/14 |
|----------------------------|---------------------------------|--------------------------------|---------------------------------|
| * Management Fee           | 0                               | 0                              | 773,560                         |
| * Managed Budgets          | 0                               | 49,520                         | 46,602                          |
| * Blocked Cost Centres DRS | 3,011,710                       | 3,438,285                      | 0                               |
| <b>** Total</b>            | <b>3,011,710</b>                | <b>3,487,805</b>               | <b>820,162</b>                  |

| Subjective Analysis                       | Original<br>Estimate<br>2012/13 | Current<br>Estimate<br>2012/13 | Original<br>Estimate<br>2013/14 |
|---|---------------------------------|--------------------------------|---------------------------------|
| * Employee Related                        | 11,552,305                      | 11,397,244                     | 208,592                         |
| * Premises Related                        | 266,490                         | 251,957                        | 0                               |
| * Transport Related                       | 240,936                         | 250,436                        | 0                               |
| * Supplies and Services                   | 1,470,839                       | 1,737,654                      | 1,056,070                       |
| * Third Party Payments                    | 240                             | 9,180                          | 9,180                           |
| * Capital Charges                         | 0                               | 0                              | 0                               |
| * Capital Financing Costs                 | 0                               | 0                              | 0                               |
| * Secondary Recharges                     | (758,660)                       | (708,010)                      | (453,680)                       |
| <b>** Expenditure Total</b>               | <b>12,772,150</b>               | <b>12,938,461</b>              | <b>820,162</b>                  |
| * Government Grants                       | (4,000)                         | (4,000)                        | 0                               |
| * Other Grants, Reimbursements & Contribs | (549,200)                       | (549,200)                      | 0                               |
| * Customer & Client Receipts              | (9,207,240)                     | (8,897,456)                    | 0                               |
| <b>** Income Total</b>                    | <b>(9,760,440)</b>              | <b>(9,450,656)</b>             | <b>0</b>                        |
| <b>*** Total</b>                          | <b>3,011,710</b>                | <b>3,487,805</b>               | <b>820,162</b>                  |

**2013/14 Budget Summary and Forward Plan**

| <b>Housing Needs &amp; Resources</b>                               | <b>2013/14</b>   | <b>2014/15</b>   | <b>2015/16</b>   |
|--|------------------|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Base Budget  | 2,861,139        | 3,447,219        | 3,392,219        |
| Virements  | 647,080          |                  |                  |
|  | <b>3,508,219</b> | <b>3,447,219</b> | <b>3,392,219</b> |
| <b>Efficiencies</b>  |                  |                  |                  |
| Barnet Group    Saving resulting from alternate service provision. | (61,000)         |                  |                  |
| Barnet Group    Review of medical service Housing options.         |                  | (55,000)         |                  |
| Barnet Group    Identify through review of management agreement.   |                  |                  | (300,000)        |
|  | <b>(61,000)</b>  | <b>(55,000)</b>  | <b>(300,000)</b> |
| <b>Budget</b>  | <b>3,447,219</b> | <b>3,392,219</b> | <b>3,092,219</b> |

## Housing Needs & Resources

| Profit center  | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|----------------|------------------------------|-----------------------------|------------------------------|
| *HNR Services  | 2,861,139                    | 3,061,139                   | 3,447,219                    |
| <b>* Total</b> | <b>2,861,139</b>             | <b>3,061,139</b>            | <b>3,447,219</b>             |

The Housing Needs Requirement Service was transferred from an in-house service, to a contract managed service with Barnet Homes Limited in 2012/13. An element of the budget is still LBB retained.

| Subjective Analysis                       | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|---|------------------------------|-----------------------------|------------------------------|
| * Employee Related                        | 1,920,552                    | 16,140                      | 4,820                        |
| * Premises Related                        | 863,030                      | 170                         | 170                          |
| * Transport Related                       | 26,920                       | 0                           | 0                            |
| * Supplies and Services                   | 1,220,759                    | 4,261,103                   | 3,830,321                    |
| * Third Party Payments                    | 4,992,350                    | 4,992,350                   | 4,992,350                    |
| * Capital Charges                         | 0                            | 0                           | 0                            |
| * Capital Financing Costs                 | 0                            | 0                           | 0                            |
| * Secondary Recharges                     | 0                            | 0                           | 0                            |
| ** Expenditure Total                      | 9,023,611                    | 9,269,763                   | 8,827,661                    |
| * Other Grants, Reimbursements & Contribs | (78,070)                     | 0                           | 0                            |
| * Customer & Client Receipts              | (6,084,402)                  | (6,208,624)                 | (5,380,442)                  |
| ** Income Total                           | (6,162,472)                  | (6,208,624)                 | (5,380,442)                  |
| <b>*** Total</b>                          | <b>2,861,139</b>             | <b>3,061,139</b>            | <b>3,447,219</b>             |

## 2013/14 Budget Summary and Forward Plan

| Legal                            | 2013/14                   | 2014/15          | 2015/16          |
|----------------------------------|---------------------------|------------------|------------------|
|                                  | £                         | £                | £                |
| Base Budget                      | 1,750,167                 | 1,908,147        | 1,758,147        |
| Virements                        | 237,980                   |                  |                  |
|                                  | <b>1,988,147</b>          | <b>1,908,147</b> | <b>1,758,147</b> |
| <b><u>Efficiencies</u></b>       |                           |                  |                  |
| Legal Services/<br>Governance    | Reduction in expenditure. |                  |                  |
|                                  | (30,000)                  | (100,000)        | (200,000)        |
|                                  | <b>(30,000)</b>           | <b>(100,000)</b> | <b>(200,000)</b> |
| <b><u>Service Reductions</u></b> |                           |                  |                  |
| Legal Services                   | Rationalisation.          |                  |                  |
|                                  | (50,000)                  | (50,000)         |                  |
|                                  | <b>(50,000)</b>           | <b>(50,000)</b>  | <b>0</b>         |
| <b>Budget</b>                    | <b>1,908,147</b>          | <b>1,758,147</b> | <b>1,558,147</b> |

**Legal**

| <b>Profit center</b>                    | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|---|--------------------------------------|-------------------------------------|--------------------------------------|
| * <b>Blocked Cost Centres LEGAL</b>     | 1,750,167                            | 600,663                             | 0                                    |
| 11359 Barnet-Harrow Joint Legal Service | 0                                    | 1,177,704                           | 1,908,147                            |
| ** <b>Total</b>                         | <b>1,750,167</b>                     | <b>1,778,367</b>                    | <b>1,908,147</b>                     |

| <b>Subjective Analysis</b>                | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|---|--------------------------------------|-------------------------------------|--------------------------------------|
| * Employee Related                        | 1,586,527                            | 671,549                             | 0                                    |
| * Transport Related                       | 3,220                                | 1,341                               | 0                                    |
| * Supplies and Services                   | 766,820                              | 728,179                             | 2,687,979                            |
| * Third Party Payments                    | 0                                    | 983,698                             | 0                                    |
| * Secondary Recharges                     | 0                                    | 0                                   | (173,432)                            |
| ** <b>Expenditure Total</b>               | <b>2,356,567</b>                     | <b>2,384,767</b>                    | <b>2,514,547</b>                     |
| * Other Grants, Reimbursements & Contribs | (28,030)                             | (28,030)                            | (28,030)                             |
| * Customer & Client Receipts              | (558,710)                            | (558,710)                           | (558,710)                            |
| * Recharges                               | (19,660)                             | (19,660)                            | (19,660)                             |
| ** <b>Income Total</b>                    | <b>(606,400)</b>                     | <b>(606,400)</b>                    | <b>(606,400)</b>                     |
| *** <b>Total</b>                          | <b>1,750,167</b>                     | <b>1,778,367</b>                    | <b>1,908,147</b>                     |

## 2013/14 Budget Summary and Forward Plan

| New Support & Customer Service Organisation |   | 2013/14            | 2014/15            | 2015/16            |
|---|---|--------------------|--------------------|--------------------|
|   |   | £                  | £                  | £                  |
| Base Budget                                 |   | 25,383,213         | 24,178,630         | 21,785,630         |
| Virements                                   |   | 703,417            |                    |                    |
|   |   | <b>26,086,630</b>  | <b>24,178,630</b>  | <b>21,785,630</b>  |
| <b><u>Efficiencies</u></b>                  |   |                    |                    |                    |
| NSCSO                                       | Savings expected from NSCSO contract  | (1,908,000)        | (1,693,000)        |                    |
| NSCSO                                       | Additional savings expected from NSCSO contract over and above current MTFS savings targets |                    | (700,000)          | (2,000,000)        |
|   |   | <b>(1,908,000)</b> | <b>(2,393,000)</b> | <b>(2,000,000)</b> |
|   |   |                    |                    |                    |
| <b>Budget</b>                               |   | <b>24,178,630</b>  | <b>21,785,630</b>  | <b>19,785,630</b>  |

## New Support & Customer Service Organisation

| Profit center                | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|------------------------------|------------------------------|-----------------------------|------------------------------|
| * NSCO Management Fee        | 0                            | 0                           | 24,178,630                   |
| * Blocked Cost Centres NSCSO | 25,383,213                   | 27,027,720                  | 0                            |
| <b>** Total</b>              | <b>25,383,213</b>            | <b>27,027,720</b>           | <b>24,178,630</b>            |

| Subjective Analysis                       | Original Estimate<br>2012/13 | Current Estimate<br>2012/13 | Original Estimate<br>2013/14 |
|---|------------------------------|-----------------------------|------------------------------|
| * Employee Related                        | 21,147,876                   | 22,237,808                  | 300,000                      |
| * Premises Related                        | 9,118,750                    | 9,464,230                   | 0                            |
| * Transport Related                       | 217,280                      | 208,400                     | 0                            |
| * Supplies and Services                   | 6,991,293                    | 8,424,648                   | 23,878,630                   |
| * Secondary Recharges                     | (2,420,920)                  | (2,698,190)                 | 0                            |
| <b>** Expenditure Total</b>               | <b>35,054,279</b>            | <b>37,636,896</b>           | <b>24,178,630</b>            |
| * Government Grants                       | (429,230)                    | (422,830)                   | 0                            |
| * Other Grants, Reimbursements & Contribs | (1,069,190)                  | (1,069,190)                 | 0                            |
| * Customer & Client Receipts              | (7,960,646)                  | (9,117,156)                 | 0                            |
| * Interest                                | (212,000)                    | 0                           | 0                            |
| <b>** Income Total</b>                    | <b>(9,671,066)</b>           | <b>(10,609,176)</b>         | <b>0</b>                     |
| <b>*** Total</b>                          | <b>25,383,213</b>            | <b>27,027,720</b>           | <b>24,178,630</b>            |

|                      |
|----------------------|
| <b>Public Health</b> |
|----------------------|

| <b>Profit center</b>               | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| 11347 Public Health Department NHS | 0                                    | 0                                   | 13,799,000                           |
| ** Public Health                   | 0                                    | 0                                   | 13,799,000                           |
| <b>*** Total</b>                   | <b>0</b>                             | <b>0</b>                            | <b>13,799,000</b>                    |

| <b>Subjective Analysis</b> | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|----------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| 514000 Health Auths- TPP   | 0                                    | 0                                   | 13,799,000                           |
| ** Expenditure Total       | 0                                    | 0                                   | 13,799,000                           |
| ** Income Total            | 0                                    | 0                                   | 0                                    |
| <b>*** Total</b>           | <b>0</b>                             | <b>0</b>                            | <b>13,799,000</b>                    |



### 2013/14 Budget Summary and Forward Plan

| Special Parking Account   | 2013/14            | 2014/15            | 2015/16            |
|---|--------------------|--------------------|--------------------|
|   | £                  | £                  | £                  |
| Base Budget   | (6,895,970)        | (7,474,640)        | (7,366,640)        |
| Virements   | (229,670)          |                    |                    |
|   | <b>(7,125,640)</b> | <b>(7,474,640)</b> | <b>(7,366,640)</b> |
| <b><u>Efficiencies</u></b>  |                    |                    |                    |
| Alternative Parking delivery  | (349,000)          | 108,000            |                    |
| Savings resulting from alternative service provision.   |                    |                    |                    |
|   | <b>(349,000)</b>   | <b>108,000</b>     | <b>0</b>           |
| <b><u>Service Reductions</u></b>  |                    |                    |                    |
|   | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| <b><u>Income</u></b>  |                    |                    |                    |
| Parking   |                    | (130,000)          |                    |
| Moving Traffic Violations<br>The Council could take up available powers to enforce against contraventions such as banned turns and the obstruction of yellow box junctions. |                    |                    |                    |
|   | <b>0</b>           | <b>(130,000)</b>   | <b>0</b>           |
| <b>Budget</b>   | <b>(7,474,640)</b> | <b>(7,496,640)</b> | <b>(7,366,640)</b> |

## Revenue Budget 2013-2014

### Special Parking Account

|                                       | 2012-2013         | 2012-2013        | 2013-2014         |
|---------------------------------------|-------------------|------------------|-------------------|
|                                       | Original Estimate | Current Estimate | Original Estimate |
|                                       | £                 | £                | £                 |
| <b>Income</b>                         |                   |                  |                   |
| Penalty Charge Notices                | (6,334,735)       | (6,546,010)      | (6,546,010)       |
| Permits                               | (2,200,000)       | (2,180,000)      | (2,180,000)       |
| Pay & Display                         | (2,956,275)       | (3,080,000)      | (3,080,000)       |
| CCTV Bus lanes                        | (1,065,000)       | (675,000)        | (675,000)         |
| <b>Total Income</b>                   | (12,556,010)      | (12,481,010)     | (12,481,010)      |
| Operating Expenditure                 | 5,660,040         | 5,374,510        | 5,006,370         |
| Net Operating Surplus                 | (6,895,970)       | (7,106,500)      | (7,474,640)       |
| Add Capital Expenditure / Debt Charge |                   |                  |                   |
| Net Expenditure in Year               | (6,895,970)       | (7,106,500)      | (7,474,640)       |
| Balance Brought Forward               | 0                 | 0                | 0                 |
| Appropriation to General Fund         | 6,895,970         | 7,106,500        | 7,474,640         |
| Balance Carried Forward               | 0                 | 0                | 0                 |

The SPA is a ringfenced statutory account covering the estimated impact of implementing On-Street Parking and Penalty Charge Notice enforcement, as required by the Road Traffic Act 1991.

Council on 4 November 1997 noted that the provision of further off-street parking places was unnecessary for the time being and that there was no further demand on the ringfenced account in respect of further off-street parking. Accordingly, part of the surplus arising from the SPA is used to substitute for existing relevant works.

The net projected surplus on the SPA is available for implementation of parking schemes and as a general support for public transport improvement projects that fall within the criteria set out in the Highways Act 1980.

## 2013/14 Budget Summary and Forward Plan

| Street Scene                     | 2013/14   | 2014/15           | 2015/16           |
|----------------------------------|---|-------------------|-------------------|
|                                  | £   | £                 | £                 |
| Base Budget                      | 21,194,001  | 22,374,937        | 21,104,937        |
| Virements                        | 2,132,936   |                   |                   |
|                                  | <b>23,326,937</b>   | <b>22,374,937</b> | <b>21,104,937</b> |
| <b><u>Efficiencies</u></b>       |   |                   |                   |
| Street Scene                     | Savings resulting from alternative service provision.   | (305,000)         | (633,000)         |
| Street Scene                     | Changes in Terms and Conditions around annual leave allowances.   |                   | (20,000)          |
| Street Scene                     | Trade waste commercial approach.  |                   | (50,000)          |
|                                  |   | <b>(305,000)</b>  | <b>(703,000)</b>  |
| <b><u>Service Reductions</u></b> |   |                   |                   |
| Highways                         | Reprofiling the new column installation programme for street lighting and investing the saving in new technology to include energy measures which will reduce energy consumption. |                   | (200,000)         |
|                                  |   | <b>0</b>          | <b>(200,000)</b>  |
| <b><u>Income</u></b>             |   |                   |                   |
| Street Scene                     | Review and extension of private events in parks.  |                   | (20,000)          |
| Street Scene                     | Textile bring bank consortium contract.   | (28,000)          |                   |
| Street Scene                     | Income from Central Government relating to maintaining weekly refuse collection.  | (550,000)         | (282,000)         |
| Parking                          | Savings resulting from alternative service provision.   | (69,000)          | (65,000)          |
|                                  |   | <b>(647,000)</b>  | <b>(367,000)</b>  |
| <b>Budget</b>                    | <b>22,374,937</b>   | <b>21,104,937</b> | <b>19,253,937</b> |

**Street Scene**

| <b>Profit center</b>                        | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|---|--------------------------------------|-------------------------------------|--------------------------------------|
| ** Street Scene Management                  | 0                                    | 0                                   | 647,381                              |
| ** SPA Parking                              | 0                                    | 0                                   | 0                                    |
| ** Business Improvement                     | 0                                    | 0                                   | 332,371                              |
| ** Contract Management                      | 5,268,095                            | 6,231,744                           | 6,009,964                            |
| ** Parks, Street Cleaning & Grounds Mainten | 9,106,142                            | 9,348,842                           | 9,288,522                            |
| ** Waste & Recycling                        | 6,654,329                            | 6,946,219                           | 6,096,699                            |
| ** Blocked Cost Centres STREET SCENE        | 165,435                              | 0                                   | 0                                    |
| <b>*** Total</b>                            | <b>21,194,001</b>                    | <b>22,526,805</b>                   | <b>22,374,937</b>                    |

| <b>Subjective Analysis</b>   | <b>Original Estimate<br/>2012/13</b> | <b>Current Estimate<br/>2012/13</b> | <b>Original Estimate<br/>2013/14</b> |
|------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| * Employee Related           | 15,137,180                           | 12,944,978                          | 13,411,074                           |
| * Premises Related           | 1,519,415                            | 1,524,675                           | 1,524,675                            |
| * Transport Related          | 9,824,320                            | 9,622,720                           | 9,639,058                            |
| * Supplies and Services      | 12,329,847                           | 16,069,531                          | 16,224,869                           |
| * Third Party Payments       | 397,550                              | 388,610                             | 388,610                              |
| * Capital Charges            | 6,895,970                            | 7,106,500                           | 7,474,640                            |
| * Secondary Recharges        | -5,128,914                           | -6,492,961                          | -6,492,741                           |
| <b>** Expenditure Total</b>  | <b>40,975,368</b>                    | <b>41,164,053</b>                   | <b>42,170,185</b>                    |
| * Government Grants          | -76,000                              | -76,000                             | -1,129,000                           |
| * Customer & Client Receipts | -19,678,558                          | -18,561,248                         | -18,666,248                          |
| * Interest                   | -26,809                              | 0                                   | 0                                    |
| <b>** Income Total</b>       | <b>-19,781,367</b>                   | <b>-18,637,248</b>                  | <b>-19,795,248</b>                   |
| <b>*** Total</b>             | <b>21,194,001</b>                    | <b>22,526,805</b>                   | <b>22,374,937</b>                    |

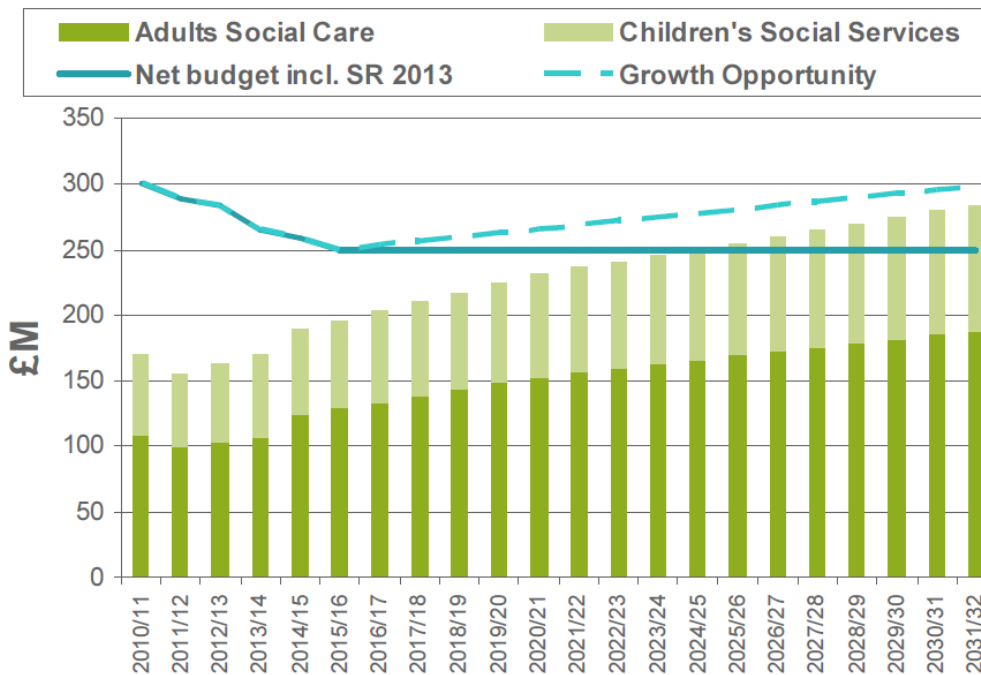
## Capital Strategy

### 1. Strategic Context

Barnet Council is ambitious about the impact that capital investment plans will have on the borough over the next 10 to 20 years. This capital strategy sets out how these plans will deliver against these ambitions.

The Council, alongside most public sector organisations, is facing unprecedented challenges in planning for the delivery of services over the coming years. An increasing population in Barnet is creating additional demand for services. Customer expectations continue to increase and technological advances change the way that we communicate with customers and the way people want us to communicate with them. Alongside this, the Government's plan to cut public spending by £81 billion by 2015 will have a big impact on councils across the country. For Barnet, this translates into a 26% cut to government grant funding over 4 years to 2015, with confirmation of austerity measures for until at least 2018. Tough choices are required.

These challenges make the status quo unaffordable. The graph below shows that, with our current delivery models and projected demographics, we would **only be able to fund Adult Social Care and Children's services by 2028/9**, with only £43m to spend on other services by 2020. Barnet currently spends £132m on other services (waste, libraries, street cleansing and support services). Population increase, inflation and social care changes increase total budgets by 48% over 10 years (4.8% per annum).



This situation is exacerbated by significant demographic change. By 2016, the number of 5-9 year olds will increase by 23% and the number of people aged over 90 will increase by 17%.

Alongside the revenue budget challenge that the graph above shows, the result of this is that we also face an **infrastructure funding gap of more than £100m**.

## 2. Strategic response

There are a number of ways that the Council is responding to the challenges of increased population, increasing customer expectations and declining resources:

- The Council's overall response is the **One Barnet programme**, which is transforming the way that services are delivered, challenging existing delivery models, and changing the way that the Council interacts with citizens;
- This picture of changing demographics is used to inform **investment in services**. The Council's budget strategy directs resources into **Adults and Children's Social Care** services over the next 3 years to meet the demands of increasing client groups in these services;
- This analysis is also used to inform the Council's capital investment plans. **The infrastructure gap of £100m** can be reduced by delivering regeneration plans, working with other agencies to lever in investment into Barnet, and ensuring that internal capital budgets are used as effectively as possible.

The changing structure of local government finance provides opportunities to meet these challenges, despite the significant reductions in government grant support for the foreseeable future. For example, the recent **localism bill** provides for greater autonomy for Councils around **business rates** and **housing revenue account funding**. Funding sources that were previously collected by central government will increasingly be collected locally, with the risks and rewards associated with this sitting with local authorities.

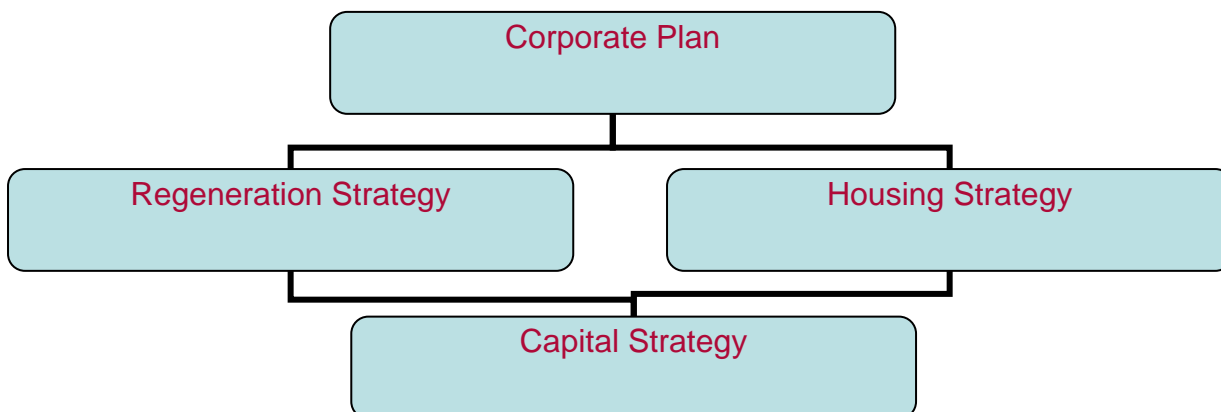
A growing borough is likely to see increases in business rate growth, so there are opportunities for Barnet from localisation of business rates. The challenge for the Council is to ensure that it can stimulate business growth and turn these opportunities into reality.

The Housing Revenue Account settlement that came into place on 1<sup>st</sup> April 2012 now sees the Council benefiting financially from greater resources available both for the provision of housing services and also for investment in housing stock.

## 3. Aligning capital investment with Barnet's priorities

The Capital Strategy sits within the context of other key Council strategies, which support significant planned growth for the borough over the next 15

years, drawing out themes relevant to capital investment and ensuring that these objectives have the resources to enable them to be delivered.



The Corporate Plan 2013/14 sets three strategic priorities. Barnet Council will work with local partners to:

- 1: Create the right environment to promote responsible growth, development and success across the borough.
- 2: Support families and individuals that need it – promoting independence, learning and well-being.
- 3: Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.

This is underpinned by six priorities:

**In 2013, we will deliver this, by focussing our efforts on these outcomes:**

- 1: To maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough.
- 2: To maintain the right environment for a strong and diverse local economy.
- 3: To create better life chances for children and young people across the borough.
- 4: To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health.
- 5: To promote a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well.
- 6: To promote family and community well being and encourage engaged, cohesive and safe communities.

The **Regeneration Strategy** supports the Council's corporate priorities with the following strategic objectives:

- Enhance Barnet as a Successful London Suburb through delivery of quality new places and neighbourhoods in the areas of the borough in greatest need of investment and renewal
- Deliver sustainable housing growth and infrastructure, and improve the condition and sustainability of the existing housing stock
- Ensure residents in all areas of the borough can share in Barnet's success while taking responsibility for the well-being of their families and their communities
- Promote economic growth by encouraging new business growth while supporting local businesses and town centres
- Help residents to access the right skills to meet employer needs and take advantage of new job opportunities

The **Housing Strategy** supports the Council's corporate priorities with the following strategic objectives:

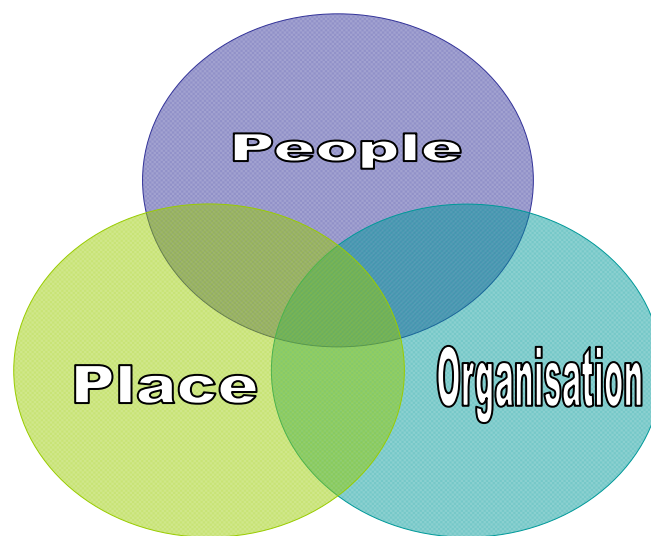
- Increasing housing supply
- Improving the condition and sustainability of the existing housing stock
- Promoting mixed communities
- Maximising the options for home ownership
- Housing related support options that maximise the independence of residents
- Excellent value services that exceed residents expectations

The capital strategy sets out how our capital investment plans are pulled together to ensure the delivery of the strategies as set out above.

#### **4. Capital investment themes**

The overall themes for the capital strategy are built around organisation, people and place.





**People** – the most important stakeholders for Barnet Council are local residents. The capital strategy focuses on capital investment plans that make a real difference to people. The most significant priorities are:

- Investment in provision of **additional school places** (primary and secondary) **and education facilities**
- Investment in **disabled facilities adaptations** to support older people to live at home and maintain their independence.

**Place** – the capital strategy must underpin the regeneration strategy and deliver its aspirations for Barnet as a place. The most significant priorities within this are:

- Investment in **roads and pavements**; and
- Investment in **infrastructure** to support the delivery of regeneration projects.

The **Infrastructure Delivery Plan** (IDP) responds to demographic change in Barnet up to 2026 and drives the Council's prioritisation of investment in infrastructure. The population is expected to increase by 14% in the next 15 years. The IDP sets out the infrastructure required to support this growth. The high level of projected growth within a number of specific areas has strongly influenced how and where infrastructure such as open spaces, schools, leisure facilities and health centres is to be delivered.

The IDP sets out the funded capital infrastructure projects across Barnet, and where these are delivered by Barnet Council, these are reflected in the Council's capital programme. The IDP also sets out unfunded infrastructure projects. The Community Infrastructure Levy is one source of funding designed to support these unfunded schemes.

Consideration will be given to using HRA funding (both existing capital funding), on strategic interventions to enable schemes to progress in accordance with the **regeneration strategy**.

**Organisation** - alongside this, some funding needs to be set aside for essential projects to enable the council to fulfil its statutory duties and this is reflected in the programme. The most significant priorities within this are:

- **Health and safety works** on Council owned buildings;
- **Drainage** works;
- Investment in **equipment** to support services.

## 5. Funding the capital strategy

Capital investment plans are funded from a range of sources, resources generated internally, and those levered in from external organisations.

These funding streams are as follows:

- Developer Contributions through Section 106;
- Community Infrastructure Levy
- New Homes Bonus
- Government Grant Funding
- Prudential Borrowing
- Capital Receipts
- Housing Revenue Account Funding
- Tax incremental financing

**Developer contributions** through s106 funding is ringfenced to specific regeneration projects where delivery of particular items of infrastructure is necessary to manage future impacts of the development and is allocated to these within the programme.

The Council is intending to set a **Community Infrastructure Levy** (CIL) from April 2013. This will be applied to all new development and is not ring fenced to individual schemes. The funding generated from this source will be added to the capital programme and allocated to the delivery of specific infrastructure projects.

Cabinet have taken the decision to earmark the **New Homes Bonus** (NHB) to fund infrastructure projects and this will be allocated as such in the capital programme. The level of NHB allocated to Barnet is dependent on the number of new homes that are delivered in the borough in each year. The total estimated funding available through NHB over the period to 2016 is over £30m.

**Government grant funding (£90.5m)** remains available to fund specific projects, usually this funding is ringfenced. The most significant elements are funding from the Department for Education in respect of new school places (estimated to be £20.8m in total over the period to 2018), and funding from Transport for London in respect of highways projects (approximately £9.9m last year).

Capital investment plans can be supported by prudential borrowing. Borrowing plans need to be prudent, affordable and sustainable, and these criteria are tested by applying prudential indicators as set out in the Council's annual budget report. Barnet Council currently spends £975 per head on borrowing. This compares to the average across London of £1,504 per head. The Council's budget strategy allows provision for additional prudential borrowing on an annual basis to fund high priority capital projects. Revenue provision allows for additional project of approximately **£10m per annum** and will ensure that the overall spend per head on borrowing **will not exceed the London average over the 5 year period of the current capital programme**. This funding is not ringfenced, and can be allocated to Council priorities, principally investment in additional school places and education, and investment in road and pavement improvements.

|                       | Total borrowing levels (£m) | Borrowing per head of population (£) |
|-----------------------|-----------------------------|--------------------------------------|
| Average across London | 347.4                       | 1,504                                |
| Barnet                | 321.8                       | 975                                  |

The budget strategy also includes a target of **£50m of capital receipts** over the period 2013-16 to support the capital programme. Again this funding is not ringfenced, so can be allocated to Council priorities, principally investment in additional school places and education, and investment in road and pavement improvements.

The Council also has funding available for capital projects through the **Housing Revenue Account** (HRA). This includes annual funding to support improvements to Council housing stock, and also includes the additional headroom available for investment in housing assets through the HRA reform that came into place on 1<sup>st</sup> April 2012.

## **6. Governance of the capital programme**

### **a) 5 year rolling programme**

This capital strategy takes the Council from an annual process of allocating capital budgets, to a 5 year rolling programme.

This provides the organisation with greater certainty in delivery of capital projects and will ensure that resources are managed more effectively and that they deliver better outcomes for people, place and the organisation.

### **b) Appraisal and funding decisions**

Final investment decisions will be taken only once a full business case has been approved through the investment appraisal board. Approval will be based on the following criteria:

1. The investment is necessary to deliver corporate objectives.
2. The project or programme has been justified as the best way of delivering corporate priorities following proper options appraisal taking into account the costs and benefits of a project over its whole life cycle.
3. No suitable alternative funding source is available.
4. Full project funding is in place or confirmation received that the proposal will be supported by other funders.
5. The project complies with current environmental / energy efficiency standards.
6. The project has undergone Equalities Impact Assessment.

The Investment Appraisal Board meets on a regular basis to ensure that these criteria are met before capital projects become live in the capital programme.

### **c) Governance**

Governance should not be unnecessarily bureaucratic, but must put the right controls in place to manage a multi-million pound portfolio of projects. An effective and proportionate governance structure enables the Council to make timely and responsive decisions, based on sound business cases. It follows principles of risk management, escalations and of regular reporting.

The Council follows the project management approach as set out in the diagram below:

| Barnet Project Management Approach for Key Projects |   |   |  |   |  |
|---|---|---|--|---|--|
|   | Concept   | Assessment  |  | Delivery  | Closure  |
| Project Management Deliverables                     | Project Brief including Strategic Outline Case (SOC) Assessment Plan Risks & Issues Logs  | Outline Business Case (OBC) with Options Appraisal<br>Project Initiation Document<br>Project Plan<br>Risks & Issues Logs<br>Highlight Reports<br>Updated OBC for projects involving complex procurement<br>Full Business Case (FBC)   |  | Project Plan<br>Risks & Issues Logs<br>Highlight Reports  | Project Closure Report<br>Lessons Learned Report |
|   | Full guidance on the information required for these documents including templates is contained within Barnet's Corporate Project Management Toolkit   |   |  |   |  |
| Approval Process                                    |   |   |  |   |  |
|   | <p style="text-align: center;">Project/Programme Board Direction &amp; Instruction</p> <p style="text-align: center;">Approval via Investment Approvals Board (IAB) or One Barnet Programme Board (OBPB)<br/>Key Decisions referred to Cabinet or CRC where constitution requires or it is deemed appropriate</p>   |   |  |   |  |
| Financial Appraisal                                 | Budget Management and Monitoring  |   |  |   |  |
|   | <b>Strategic Outline Case (SOC)</b><br>Ownership of investment planning process<br>Inclusion of the fully baseline (e.g. do nothing), or the savings target<br>A statement of the organisation's financial situation including:<br>- Resources available for the project, including assessment of the resource holder's ability to provide support<br>- Capital and revenue constraint<br>- Statements of strategic (or in principle) support from the stakeholders | <b>Outline Business Case (OBC)</b><br>Consideration of all options<br>Inclusion of all costs and benefits over the lifetime of the contract and/or assets<br>All cost estimates should be based on a common pricing level<br>Costs should include:<br>- Capital and revenue costs<br>- Sunk costs<br>- Organisational development<br>- Consideration of net present values, cashflow and inflation<br>- Consideration of VAT and tax<br>Financial analysis should be accompanied by assessment of risks<br>For larger and more complex schemes a financial model needs to be developed to accompany the business case | <b>OBC Update</b><br>For projects including complex procurement the outline business case needs to be updated at key stages of the procurement (e.g. end of Competitive Dialogue 1)<br>This update needs to identify any changes to the financial assumptions and data included in the OBC (for example, where SOC submissions have been received) | <b>Full Business Case (FBC)</b><br>This provides the financial benefits based on the proposed solution that is recommended<br>From a financial perspective, this again will be updated from the OBC (see above), setting out the following:<br>- Strategic case<br>- Economic case<br>- Commercial case<br>- Financial case<br>- Management case<br>Specific items should be referred to in addition to those at OBC:<br>- Opportunity costs<br>- Avoided costs<br>- Contingent facilities<br>- Capital charges and/or depreciation<br>- Sensitivity analysis |  |

#### d) Monitoring the strategy

**Financial monitoring:** will be undertaken monthly with quarterly reporting to Cabinet during the development and delivery phases.

**Monitoring of delivery:** this is undertaken through the Investment Appraisal Board at the gateway review stages

**CAPITAL PROGRAMME -  
2012-13 TO 2017-18**

| SERVICE                                      |               |                |               |               |               |               | 2012/13 Funding |               |               |                          |                    |                     |               | 2013/14 Funding  |               |               |                          |                    |                     |               | 2014/15 Funding  |               |               |                          |                    |                     |               |                  |     |
|--|---------------|----------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|--------------------------|--------------------|---------------------|---------------|------------------|---------------|---------------|--------------------------|--------------------|---------------------|---------------|------------------|---------------|---------------|--------------------------|--------------------|---------------------|---------------|------------------|-----|
|  | 2012-13       | 2013-14        | 2014-15       | 2015-16       | 2016-17       | 2017-18       | Total           | Grants        | RCCO/<br>MRA  | Other<br>(incl.<br>S106) | Capital<br>Reserve | Capital<br>Receipts | Borrowi<br>ng | Total<br>2012/13 | Grants        | RCCO/<br>MRA  | Other<br>(incl.<br>S106) | Capital<br>Reserve | Capital<br>Receipts | Borrowi<br>ng | Total<br>2013/14 | Grants        | RCCO/<br>MRA  | Other<br>(incl.<br>S106) | Capital<br>Reserve | Capital<br>Receipts | Borrowi<br>ng | Total<br>2014/15 |     |
|  | £000          | £000           | £000          | £000          | £000          | £000          | £000            | £000          | £000          | £000                     | £000               | £000                | £000          | £000             | £000          | £000          | £000                     | £000               | £000                | £000          | £000             | £000          | £000          | £000                     | £000               | £000                | £000          | £000             |     |
| Adult Social Services                        | 1,117         | 1,319          | 794           | 1,026         |               |               | 4,256           | 1,028         |               |                          |                    | 89                  |               | 1,117            | 1,267         |               |                          |                    | 52                  |               | 1,319            | 794           |               |                          |                    |                     |               |                  | 794 |
| Children's Service                           | 20,854        | 64,794         | 37,916        | 14,113        | 28,000        | 28,400        | 194,077         | 12,365        | 146           | 40                       |                    | 6,301               | 2,001         | 20,853           | 29,645        | 1,424         | 4,412                    |                    | 7,986               | 21,327        | 64,794           | 12,658        |               | 4,389                    |                    | 444                 | 20,425        | 37,916           |     |
| Development Regulatory Services              | 17,976        | 25,016         | 8,782         | 9,836         | 8,940         |               | 70,551          | 6,894         | 16            | 988                      | 3,500              | 3,531               | 3,048         | 17,976           | 9,634         |               | 2,872                    |                    | 6,526               | 5,985         | 25,017           | 870           | 1,250         | 2,053                    |                    | 509                 | 4,100         | 8,782            |     |
| Housing                                      | 627           |                |               |               |               |               | 627             |               | 116           |                          |                    | 511                 |               | 627              |               |               |                          |                    |                     |               |                  |               |               |                          |                    |                     |               |                  |     |
| New Support & Customer Services Organisation | 6,470         | 16,897         | 1,900         | 1,000         | 1,000         |               | 27,267          |               |               |                          |                    | 3,535               | 2,935         | 6,470            |               |               |                          |                    | 16,589              | 308           | 16,897           |               |               |                          |                    | 900                 | 1,000         | 1,900            |     |
| Street Scene                                 | 808           | 4,868          | 100           | 100           | 100           |               | 5,976           |               | 125           | 70                       |                    | 285                 | 328           | 808              | 1,818         | 60            | 40                       |                    | 2,720               | 230           | 4,868            |               |               |                          |                    |                     | 100           | 100              |     |
| <b>Sub total - General Fund</b>              | <b>47,852</b> | <b>112,895</b> | <b>49,492</b> | <b>26,075</b> | <b>38,040</b> | <b>28,400</b> | <b>302,754</b>  | <b>20,286</b> | <b>403</b>    | <b>1,098</b>             | <b>3,500</b>       | <b>14,251</b>       | <b>8,312</b>  | <b>47,850</b>    | <b>42,365</b> | <b>1,484</b>  | <b>7,324</b>             |                    | <b>33,873</b>       | <b>27,850</b> | <b>112,895</b>   | <b>14,322</b> | <b>1,250</b>  | <b>6,442</b>             |                    | <b>1,853</b>        | <b>25,625</b> | <b>49,492</b>    |     |
| Housing Revenue Account                      | 16,687        | 28,279         | 28,829        | 28,488        | 23,024        | 22,171        | 147,478         |               | 15,948        | 739                      |                    |                     |               | 16,687           |               | 27,332        | 947                      |                    |                     |               | 28,279           |               | 27,892        | 937                      |                    |                     |               | 28,829           |     |
| <b>Total - all services</b>                  | <b>64,539</b> | <b>141,173</b> | <b>78,321</b> | <b>54,563</b> | <b>61,064</b> | <b>50,571</b> | <b>450,232</b>  | <b>20,286</b> | <b>16,351</b> | <b>1,837</b>             | <b>3,500</b>       | <b>14,251</b>       | <b>8,312</b>  | <b>64,537</b>    | <b>42,365</b> | <b>28,816</b> | <b>8,270</b>             |                    | <b>33,873</b>       | <b>27,850</b> | <b>141,174</b>   | <b>14,322</b> | <b>29,142</b> | <b>7,379</b>             |                    | <b>1,853</b>        | <b>25,625</b> | <b>78,321</b>    |     |

**CAPITAL PROGRAMME -  
2012-13 TO 2017-18**

| SERVICE                                      | 2015/16 Funding |               |                    |                 |                  |               |               | 2016/17 Funding |               |                    |                 |                  |               |               | 2017/18 Funding |               |                    |                 |                  |               |               | Total Funding |                |                    |                 |                  |                |                |
|--|-----------------|---------------|--------------------|-----------------|------------------|---------------|---------------|-----------------|---------------|--------------------|-----------------|------------------|---------------|---------------|-----------------|---------------|--------------------|-----------------|------------------|---------------|---------------|---------------|----------------|--------------------|-----------------|------------------|----------------|----------------|
|  | Grants          | RCCO/MRA      | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing     | Total 2015/16 | Grants          | RCCO/MRA      | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing     | Total 2016/17 | Grants          | RCCO/MRA      | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing     | Total 2017/18 | Grants        | RCCO/MRA       | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing      | Total          |
|  | £000            | £000          | £000               | £000            | £000             | £000          | £000          | £000            | £000          | £000               | £000            | £000             | £000          | £000          | £000            | £000          | £000               | £000            | £000             | £000          | £000          | £000          | £000           | £000               | £000            | £000             | £000           | £000           |
| Adult Social Services                        | 1,026           |               |                    |                 |                  |               | 1,026         |                 |               |                    |                 |                  |               |               |                 |               |                    |                 |                  |               |               | 4,115         |                |                    |                 | 141              |                | 4,256          |
| Children's Service                           | 5,400           |               | 199                |                 |                  | 8,514         | 14,113        | 5,400           |               |                    |                 |                  | 22,600        | 28,000        |                 |               |                    |                 |                  | 28,400        | 28,400        | 65,468        | 1,570          | 9,040              |                 | 14,731           | 103,267        | 194,076        |
| Development Regulatory Services              | 870             |               | 660                | 2,956           |                  | 5,350         | 9,836         | 870             |               |                    | 2,720           |                  | 5,350         | 8,940         |                 |               |                    |                 |                  |               |               | 19,139        | 1,266          | 6,572              | 9,176           | 10,566           | 23,832         | 70,551         |
| Housing                                      |                 |               |                    |                 |                  |               |               |                 |               |                    |                 |                  |               |               |                 |               |                    |                 |                  |               |               |               | 116            |                    |                 | 511              |                | 627            |
| New Support & Customer Services Organisation |                 |               |                    |                 |                  | 1,000         | 1,000         |                 |               |                    |                 |                  | 1,000         | 1,000         |                 |               |                    |                 |                  |               |               |               |                |                    |                 | 21,024           | 6,243          | 27,267         |
| Street Scene                                 |                 |               |                    |                 |                  | 100           | 100           |                 |               |                    |                 |                  | 100           | 100           |                 |               |                    |                 |                  |               |               | 1,818         | 185            | 110                |                 | 3,005            | 858            | 5,976          |
| <b>Sub total - General Fund</b>              | <b>7,296</b>    |               | <b>859</b>         | <b>2,956</b>    |                  | <b>14,964</b> | <b>26,075</b> | <b>6,270</b>    |               |                    | <b>2,720</b>    |                  | <b>29,050</b> | <b>38,040</b> |                 |               |                    |                 |                  | <b>28,400</b> | <b>28,400</b> | <b>90,539</b> | <b>3,137</b>   | <b>15,722</b>      | <b>9,176</b>    | <b>49,977</b>    | <b>134,201</b> | <b>302,752</b> |
| Housing Revenue Account                      |                 | 27,594        | 894                |                 |                  |               | 28,488        |                 | 22,326        | 698                |                 |                  |               | 23,024        |                 | 21,521        | 650                |                 |                  |               |               |               |                | 142,614            | 4,864           |                  |                | 147,478        |
| <b>Total - all services</b>                  | <b>7,296</b>    | <b>27,594</b> | <b>1,753</b>       | <b>2,956</b>    |                  | <b>14,964</b> | <b>54,563</b> | <b>6,270</b>    | <b>22,326</b> | <b>698</b>         | <b>2,720</b>    |                  | <b>29,050</b> | <b>61,064</b> |                 | <b>21,521</b> | <b>650</b>         |                 |                  | <b>28,400</b> | <b>50,571</b> | <b>90,539</b> | <b>145,751</b> | <b>20,587</b>      | <b>9,176</b>    | <b>49,977</b>    | <b>134,201</b> | <b>450,230</b> |

| CAPITAL PROGRAMME 2012-13 TO 2017-18 |                                 |              |              |            |              |         |         | TOTAL CAPITAL FUNDING |              |           |                    |                  |           |              |
|--------------------------------------|---------------------------------|--------------|--------------|------------|--------------|---------|---------|-----------------------|--------------|-----------|--------------------|------------------|-----------|--------------|
| Adult Social Services                |                                 | 2012-13      | 2013-14      | 2014-15    | 2015-16      | 2016-17 | 2017-18 | Total                 | Grants       | RCCO/ MRA | Other (incl. S106) | Capital Receipts | Borrowing | Total        |
|                                      |                                 | £000         | £000         | £000       | £000         | £000    | £000    | £000                  | £000         | £000      | £000               | £000             | £000      | £000         |
|                                      | Centre for Independent Learning | 72           |              |            |              |         |         | 72                    | 72           |           |                    |                  |           | 72           |
| IT04                                 | SWIFT / ESCR / EDRM             | 585          | 541          |            |              |         |         | 1,126                 | 985          |           |                    | 141              |           | 1,126        |
|                                      | Capital works                   |              |              |            | 1,026        |         |         | 1,026                 | 1,026        |           |                    |                  |           | 1,026        |
|                                      | NHHT                            | 460          |              |            |              |         |         | 460                   | 460          |           |                    |                  |           | 460          |
|                                      | Unallocated                     |              | 778          | 794        |              |         |         | 1,572                 | 1,572        |           |                    |                  |           | 1,572        |
|                                      |                                 | <b>1,117</b> | <b>1,319</b> | <b>794</b> | <b>1,026</b> |         |         | <b>4,256</b>          | <b>4,115</b> |           |                    | <b>141</b>       |           | <b>4,256</b> |



|                     |  |         |         |         |         |         |         | TOTAL CAPITAL FUNDING |        |           |                    |                  |           |        |
|---------------------|--|---------|---------|---------|---------|---------|---------|-----------------------|--------|-----------|--------------------|------------------|-----------|--------|
| Children's Services |  | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | Total                 | Grants | RCCO/ MRA | Other (incl. S106) | Capital Receipts | Borrowing | Total  |
|                     |  | £000    | £000    | £000    | £000    | £000    | £000    | £000                  | £000   | £000      | £000               | £000             | £000      | £000   |
| ED12                | <u>Modernisation - Primary &amp; Secondary</u> |         |         |         |         |         |         |                       |        |           |                    |                  |           |        |
|                     | Modernisation Prim & Sec 2008-09               | 10      |         |         |         |         |         | 10                    |        |           |                    |                  | 10        | 10     |
|                     | Modernisation Prim & Sec                       | 4,459   | 5,297   |         |         |         |         | 9,756                 | 8,764  |           |                    |                  | 992       | 9,756  |
| ED13                | Urgent Primary Places - Temporary              | 2,328   | 4,841   | 1,000   | 800     | 1,000   |         | 9,969                 | 4,189  |           |                    | 2,870            | 2,910     | 9,969  |
| ED13                | <u>Urgent Primary Places - Permanent</u>       |         |         |         |         |         |         |                       |        |           |                    |                  |           |        |
|                     | Broadfields                                    | 1,058   | 350     |         |         |         |         | 1,408                 | 8      |           |                    | 1,400            |           | 1,408  |
|                     | Mill Hill East                                 | 866     | 5,546   | 4,389   | 513     |         |         | 11,314                | 1,814  | 9,000     |                    | 500              |           | 11,314 |
|                     | Orion Primary School                           | 2,734   | 8,404   | 3,418   |         |         |         | 14,556                | 9,624  |           |                    | 957              | 3,975     | 14,556 |
|                     | Moss Hall                                      | 218     | 1,485   | 742     | 55      |         |         | 2,500                 |        |           |                    | 2,000            | 500       | 2,500  |
|                     | Brunswick                                      | 170     | 1,183   | 602     | 45      |         |         | 2,000                 |        |           |                    | 1,500            | 500       | 2,000  |
|                     | Menorah Foundation                             | 1,600   | 500     |         |         |         |         | 2,100                 |        |           |                    | 1,500            | 600       | 2,100  |
|                     | St Marys and St Johns                          | 3,000   | 2,000   |         |         |         |         | 5,000                 | 5,000  |           |                    |                  |           | 5,000  |
|                     | Martin Primary                                 | 140     | 2,060   | 300     |         |         |         | 2,500                 | 500    |           |                    |                  | 2,000     | 2,500  |
|                     | Oakleigh School                                | 236     | 1,000   | 75      |         |         |         | 1,311                 | 353    | 440       |                    |                  | 518       | 1,311  |
|                     | Holly Park , Deansbrook, Beis Yakov            |         | 5,000   | 2,000   |         |         |         | 7,000                 |        |           |                    |                  | 7,000     | 7,000  |
|                     | Unallocated                                    | 0       | 7,571   | 14,100  | 10,200  | 10,000  | 13,400  | 55,271                | 10,699 | 679       |                    | 297              | 43,596    | 55,271 |
| ED23                | Primary Schools Capital Investment Programme   |         |         |         |         |         |         |                       |        |           |                    |                  |           |        |
|                     | Wave 1 - Whittings Hill                        | 323     |         |         |         |         |         | 323                   |        |           |                    |                  | 323       | 323    |
|                     | Wave 1 - Northway/Fairway                      | 300     |         |         |         |         |         | 300                   |        | 4         |                    | 273              | 23        | 300    |

|                     |                               |         |         |         |         |         |         | TOTAL CAPITAL FUNDING |        |           |                    |                  |           |        |
|---------------------|-------------------------------|---------|---------|---------|---------|---------|---------|-----------------------|--------|-----------|--------------------|------------------|-----------|--------|
| Children's Services |                               | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | Total                 | Grants | RCCO/ MRA | Other (incl. S106) | Capital Receipts | Borrowing | Total  |
| ED27                | Primary Capital Programme     | 647     | 200     |         |         |         |         | 847                   | (253)  | 40        | 40                 |                  | 1,020     | 847    |
|                     | Oak Lodge Special School      |         | 1,500   | 1,500   |         |         |         | 3,000                 |        |           |                    |                  | 3,000     | 3,000  |
| ED25                | East Barnet & Project Faraday | 927     | 250     |         |         |         |         | 1,177                 |        |           |                    | 753              | 424       | 1,177  |
|                     | General Schools Organisations |         | 0       | 0       |         |         |         | 0                     | 0      |           |                    |                  |           | 0      |
|                     | Christ College                | 315     | 2,885   |         |         |         |         | 3,200                 | 3,000  |           |                    |                  | 200       | 3,200  |
|                     | Copthall                      | 290     | 1,970   | 740     | 0       |         |         | 3,000                 | 3,000  |           |                    |                  |           | 3,000  |
|                     | Compton                       | 560     | 3,930   | 350     |         |         |         | 4,840                 | 4,800  |           |                    |                  | 40        | 4,840  |
|                     | Unallocated                   |         | 5,000   | 8,700   | 2,500   | 17,000  | 15,000  | 48,200                | 13,200 |           |                    |                  | 35,000    | 48,200 |
| ED64                | Targeted Capital 14-19 SEN    | 99      | 148     |         |         |         |         | 247                   |        |           |                    | 110              | 137       | 247    |
| ED68                | Short Breaks                  | 0       | 455     |         |         |         |         | 455                   | 455    |           |                    |                  |           | 455    |
| ED72                | TCF - Kitchen & Dining        | 139     | 201     |         |         |         |         | 340                   | 313    | 27        |                    |                  |           | 340    |
|                     | E-FINANCIAL                   |         | 218     |         |         |         |         | 218                   |        | 180       |                    | 38               |           | 218    |
|                     | Early Intervention System     |         | 200     |         |         |         |         | 200                   |        | 200       |                    |                  |           | 200    |

|                     |                                      |         |         |         |         |         |         | TOTAL CAPITAL FUNDING |        |           |                    |                  |           |         |
|---------------------|--------------------------------------|---------|---------|---------|---------|---------|---------|-----------------------|--------|-----------|--------------------|------------------|-----------|---------|
| Children's Services |                                      | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | Total                 | Grants | RCCO/ MRA | Other (incl. S106) | Capital Receipts | Borrowing | Total   |
| ED28                | Libraries Strategy                   | 34      |         |         |         |         |         | 34                    |        |           |                    | 34               |           | 34      |
|                     | Implementation of Libraries Strategy | 400     | 2,600   |         |         |         |         | 3,000                 |        |           |                    | 3,000            |           | 3,000   |
|                     |                                      | 20,854  | 64,794  | 37,916  | 14,113  | 28,000  | 28,400  | 194,076               | 65,468 | 1,570     | 9,040              | 14,731           | 103,267   | 194,076 |

| CAPITAL PROGRAMME 2012-13 TO 2017-18 |   |         |         |         |         |       | CAPITAL FUNDING |           |                    |                 |                  |           |        |
|--------------------------------------|---|---------|---------|---------|---------|-------|-----------------|-----------|--------------------|-----------------|------------------|-----------|--------|
| Development Regulatory Services      | 2012-13   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total | Grants          | RCCO/ MRA | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing | Total  |
|                                      | £000  | £000    | £000    | £000    | £000    | £000  | £000            | £000      | £000               |                 | £000             | £000      | £000   |
|                                      |   |         |         |         |         |       |                 |           |                    |                 |                  |           |        |
|                                      | <b>HIGHWAYS</b>                                   |         |         |         |         |       |                 |           |                    |                 |                  |           |        |
|                                      | <b>HIGHWAYS TfL - LOCAL IMPLEMENTATION PLAN</b>   |         |         |         |         |       |                 |           |                    |                 |                  |           |        |
| HD01                                 | Structural Maintenance of Bridges                 | 6       |         |         |         | 6     | 6               |           |                    |                 |                  |           | 6      |
| HD46                                 | Corridors   | 5       |         |         |         | 5     | 5               |           |                    |                 |                  |           | 5      |
| HD67                                 | Enabling Works                                    | 102     | 8       |         |         | 109   | 109             |           |                    |                 |                  |           | 109    |
| HD53                                 | Principle road maintenance                        | 950     |         |         |         | 950   | 950             |           |                    |                 |                  |           | 950    |
| HD54                                 | Corridors, Neighbourhoods and Supporting Measures | 3,907   | 85      |         |         | 3,992 | 3,992           |           |                    |                 |                  |           | 3,992  |
|                                      | Local Implementation Plan                         |         | 4,829   |         |         | 4,829 | 4,829           |           |                    |                 |                  |           | 4,829  |
|                                      | <b>HIGHWAYS non-TfL</b>                           |         |         |         |         |       |                 |           |                    |                 |                  |           |        |
|                                      | <b>CARRIAGEWAYS &amp; FOOTWAYS</b>                |         |         |         |         |       |                 |           |                    |                 |                  |           |        |
| HD10                                 | Footway Reconstruction                            | 84      | 46      |         |         | 130   |                 |           | 87                 |                 |                  | 44        | 130    |
| HD35                                 | Highways Investment Programme                     | 190     | 369     |         |         | 559   |                 |           | 556                |                 |                  | 3         | 559    |
| HD38                                 | Capitalisation of Planned Maintenance             | 635     | 32      |         |         | 667   |                 |           |                    |                 | 29               | 638       | 667    |
| HD52                                 | Carriageway and Footway                           | 2,116   | 2,000   | 2,000   | 2,000   | 2,000 | 10,116          |           |                    |                 | 4,000            | 6,116     | 10,116 |

| CAPITAL PROGRAMME 2012-13 TO 2017-18 |   |         |         |         |         |         | CAPITAL FUNDING |        |           |                    |                 |                  |           |       |
|--------------------------------------|---|---------|---------|---------|---------|---------|-----------------|--------|-----------|--------------------|-----------------|------------------|-----------|-------|
| Development Regulatory Services      |   | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total           | Grants | RCCO/ MRA | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing | Total |
|                                      |   | £000    | £000    | £000    | £000    | £000    | £000            | £000   | £000      | £000               |                 | £000             | £000      | £000  |
|                                      | Pavements   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 5,000           |        |           |                    |                 |                  | 5,000     | 5,000 |
|                                      | HIGHWAYS PLANNED MAINTENANCE WORKS PROGRAMME                      | 3,500   |         |         |         |         | 3,500           |        |           |                    | 3,500           |                  |           | 3,500 |
|                                      | <b>TRAFFIC MANAGEMENT</b>   |         |         |         |         |         |                 |        |           |                    |                 |                  |           |       |
| HD14                                 | Traffic Management  | 122     | 3       |         |         |         | 126             |        |           | 121                |                 |                  | 5         | 126   |
|                                      | <b>OTHER</b>  |         |         |         |         |         |                 |        |           |                    |                 |                  |           |       |
| HD33                                 | Colindale Development Area  |         |         |         |         |         |                 |        |           |                    |                 |                  |           |       |
|                                      | Reconstruction of Railway Bridges 14                              | 626     | 548     |         |         |         | 1,174           |        |           | 252                |                 |                  | 922       | 1,174 |
|                                      | Controlled Parking Zones  | 32      | 5       |         |         |         | 37              |        |           | 32                 |                 |                  | 5         | 37    |
|                                      | Colindale Station interchange                                     |         | 50      |         |         |         | 50              |        |           | 44                 |                 |                  | 6         | 50    |
|                                      | New scheme to be approved (Public Transportation Improvements)    | 0       | 110     |         |         |         | 110             |        |           | 105                |                 |                  | 5         | 110   |
|                                      | Colindale CPZ Parking Review Feasibility Study-Colindale Hospital |         | 15      |         |         |         | 15              |        |           | 11                 |                 |                  | 5         | 15    |
| HD39                                 | Travel Plan Implementation  | 55      | 57      |         |         |         | 112             |        |           | 79                 |                 |                  | 33        | 112   |
|                                      | Saracens  | 240     | 45      |         |         |         | 285             | 50     |           | 235                |                 |                  |           | 285   |
|                                      | Drainage Schemes  | 156     | 444     |         |         |         | 600             |        |           |                    |                 |                  | 600       | 600   |
| HD07                                 | Road Traffic Act - Controlled Parking Zones                       | 149     | 84      |         |         |         | 233             |        |           | 191                |                 | 25               | 16        | 232   |
| HD64                                 | Parking   | 227     | 74      |         |         |         | 301             |        |           |                    |                 | 301              |           | 301   |

| CAPITAL PROGRAMME 2012-13 TO 2017-18 |  |         |         |         |         |         | CAPITAL FUNDING |        |           |                    |                 |                  |           |        |
|--------------------------------------|--|---------|---------|---------|---------|---------|-----------------|--------|-----------|--------------------|-----------------|------------------|-----------|--------|
| Development Regulatory Services      |  | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total           | Grants | RCCO/ MRA | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing | Total  |
|                                      |  | £000    | £000    | £000    | £000    | £000    | £000            | £000   | £000      | £000               |                 | £000             | £000      | £000   |
| HD99                                 | Outstanding Transport Commitments on completed schemes           | 4       |         |         |         |         | 4               |        |           |                    |                 | 4                |           | 4      |
| EN12                                 | CCTV Projects Retention  |         | 84      |         |         |         | 84              |        |           |                    |                 | 84               |           | 84     |
| <b>HOUSING GENERAL FUND:</b>         |  |         |         |         |         |         |                 |        |           |                    |                 |                  |           |        |
| HS17                                 | GF Regeneration  |         | 2,648   |         |         |         | 2,648           |        |           |                    |                 | 2,399            | 249       | 2,648  |
|                                      | Mill Hill East   | 113     | 800     |         |         |         | 913             |        |           |                    |                 | 363              | 550       | 913    |
|                                      | Outer London Fund  | 218     |         |         |         |         | 218             | 218    |           |                    |                 |                  |           | 218    |
|                                      | Outer London Fund - Cricklewood                                  | 163     | 1,708   |         |         |         | 1,871           | 1,477  |           | 158                |                 |                  | 236       | 1,871  |
|                                      | Outer London Fund - North Finchley                               | 128     | 1,064   |         |         |         | 1,192           | 1,042  |           |                    |                 |                  | 150       | 1,192  |
|                                      | Graham Park Regeneration -Building works                         |         | 1,250   | 1,250   | 1,250   | 1,250   | 5,000           |        | 1,250     |                    |                 |                  | 3,750     | 5,000  |
|                                      | Graham Park Regeneration -Infrastructure improvements            | 310     | 2,857   | 1,111   | 3,000   | 2,720   | 9,998           | 1,920  |           | 2,402              | 5,676           |                  |           | 9,998  |
| HS27                                 | Disabled Facilities Grants Programme                             | 2,227   | 2,370   | 1,370   | 1,370   | 1,370   | 8,707           | 4,541  | 16        |                    |                 | 1,650            | 2,500     | 8,707  |
|                                      | Hendon Cemetry & Crematorium Enhancement (43)                    | 511     | 690     | 509     |         |         | 1,710           |        |           |                    |                 | 1,710            |           | 1,710  |
|                                      | Empty Properties (45)  | 200     | 1,000   | 600     | 600     | 600     | 3,000           |        |           |                    |                 |                  | 3,000     | 3,000  |
|                                      | Housing Association Development Programme - New Affordable Homes |         | 300     | 500     | 616     |         | 1,416           |        |           | 1,416              |                 |                  |           | 1,416  |
|                                      | Housing Association Development Programme - Catalyst Housing     |         | 442     | 442     |         |         | 884             |        |           | 884                |                 |                  |           | 884    |
|                                      |  | 17,976  | 25,016  | 8,782   | 9,836   | 8,940   | 70,553          | 19,139 | 1,266     | 6,572              | 9,176           | 10,566           | 23,832    | 70,551 |

| CAPITAL PROGRAMME 2012-13 TO 2017-18 |                                |         |         |         |         |         | CAPITAL FUNDING |        |           |                    |                 |                  |           |       |
|--------------------------------------|--------------------------------|---------|---------|---------|---------|---------|-----------------|--------|-----------|--------------------|-----------------|------------------|-----------|-------|
| Housing                              |                                | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total           | Grants | RCCO/ MRA | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing | Total |
|                                      |                                | £000    | £000    | £000    | £000    | £000    | £000            | £000   | £000      | £000               |                 | £000             | £000      | £000  |
| <u>HS28</u>                          | Housing Management System      | 291     |         |         |         |         | 291             |        | 116       |                    |                 | 175              |           | 291   |
| <u>HS36</u>                          | Hostel Refurbishment Programme | 249     |         |         |         |         | 249             |        |           |                    |                 | 249              |           | 249   |
|                                      | GF Hostels                     | 86      |         |         |         |         | 86              |        |           |                    |                 | 86               |           | 86    |
|                                      |                                | 627     |         |         |         |         | 627             |        | 116       |                    |                 | 511              |           | 627   |

| CAPITAL PROGRAMME 2012-13 TO 2017-18        |                                       |         |         |         |         |         |              | CAPITAL FUNDING |        |           |                    |                 |                  |           |        |
|---|---------------------------------------|---------|---------|---------|---------|---------|--------------|-----------------|--------|-----------|--------------------|-----------------|------------------|-----------|--------|
| New Support & Customer Service Organisation |                                       | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Future years | Total           | Grants | RCCO/ MRA | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing | Total  |
|   |                                       | £000    | £000    | £000    | £000    | £000    | £000         | £000            | £000   | £000      | £000               |                 | £000             | £000      | £000   |
| LP04  | Emergency Response Command Centre     |         | 29      |         |         |         |              | 29              |        |           |                    |                 | 29               |           | 29     |
|   | <b>IS PROJECTS</b>                    |         |         |         |         |         |              |                 |        |           |                    |                 |                  |           |        |
|   | Corporate IM Platform                 | 252     | 1,958   |         |         |         |              | 2,210           |        |           |                    |                 | 1,985            | 225       | 2,210  |
|   | IS Refresh                            | 2,356   | 1,000   |         |         |         |              | 3,356           |        |           |                    |                 | 3,356            |           | 3,356  |
|   | <b>ESTATES</b>                        |         |         |         |         |         |              |                 |        |           |                    |                 |                  |           |        |
| HD42  | Arts Depot Lift                       | 64      | 18      |         |         |         |              | 82              |        |           |                    |                 | 82               |           | 82     |
| HD19  | Cartwright Memorial, St Mary's Church | 32      |         |         |         |         |              | 32              |        |           |                    |                 |                  | 32        | 32     |
| HE08  | Energy Efficiency Measures            | 36      |         |         |         |         |              | 36              |        |           |                    |                 | 36               |           | 36     |
| HE09  | <b>Accommodation Strategy</b>         |         |         |         |         |         |              |                 |        |           |                    |                 |                  |           |        |
|   | Office Consolidation                  | 267     |         |         |         |         |              | 267             |        |           |                    |                 | 148              | 119       | 267    |
| IT12  | Air Conditioning Building 4           | 10      |         |         |         |         |              | 10              |        |           |                    |                 | 10               |           | 10     |
| HE13  | Depot Relocation                      | 328     | 11,547  |         |         |         |              | 11,875          |        |           |                    |                 | 11,862           | 13        | 11,875 |
|   | Asset Management System               | 1,690   | 245     | 1,000   | 1,000   | 1,000   |              | 4,935           |        |           |                    |                 |                  | 4,935     | 4,935  |
| IT10  | Modernising the Way We Work           | 570     |         |         |         |         |              | 570             |        |           |                    |                 |                  | 570       | 570    |



| CAPITAL PROGRAMME 2012-13 TO 2017-18        |  |              |               |              |              |              |              | CAPITAL FUNDING |        |           |                    |                 |                  |              |               |
|---|--|--------------|---------------|--------------|--------------|--------------|--------------|-----------------|--------|-----------|--------------------|-----------------|------------------|--------------|---------------|
| New Support & Customer Service Organisation |  | 2012-13      | 2013-14       | 2014-15      | 2015-16      | 2016-17      | Future years | Total           | Grants | RCCO/ MRA | Other (incl. S106) | Capital Reserve | Capital Receipts | Borrowing    | Total         |
|   |  | £000         | £000          | £000         | £000         | £000         | £000         | £000            | £000   | £000      | £000               |                 | £000             | £000         | £000          |
| HD41  | Land & Assets Programme                |              |               |              |              |              |              |                 |        |           |                    |                 |                  |              |               |
|   | Plantech Implementation programme      | 10           |               |              |              |              |              | 10              |        |           |                    |                 | 10               |              | 10            |
|   | GIS                                    | 86           |               |              |              |              |              | 86              |        |           |                    |                 | 56               | 30           | 86            |
| IT09  | Customer Relationship Management (CRM) | 23           |               |              |              |              |              | 23              |        |           |                    |                 | 23               |              | 23            |
| IT01  | Customer Services Transformation       | 270          |               |              |              |              |              | 270             |        |           |                    |                 |                  | 270          | 270           |
| LP05  | CCTV Review Safer Communities          | 377          | 100           |              |              |              |              | 477             |        |           |                    |                 | 427              | 50           | 477           |
|   | Customer access Centre                 | 100          | 2,000         | 900          |              |              |              | 3,000           |        |           |                    |                 | 3,000            |              | 3,000         |
|   |  | <b>6,470</b> | <b>16,897</b> | <b>1,900</b> | <b>1,000</b> | <b>1,000</b> |              | <b>27,266</b>   |        |           |                    |                 | <b>21,024</b>    | <b>6,243</b> | <b>27,267</b> |

| CAPITAL PROGRAMME 2012-13 TO 2017-18 |   |            |              |            |            |            |         | TOTAL CAPITAL FUNDING |              |            |                    |                  |                 |            |              |
|--------------------------------------|---|------------|--------------|------------|------------|------------|---------|-----------------------|--------------|------------|--------------------|------------------|-----------------|------------|--------------|
| Street Scene                         |   | 2012-13    | 2013-14      | 2014-15    | 2015-16    | 2016-17    | 2017-18 | Total                 | Grants       | RCCO/ MRA  | Other (incl. S106) | Capital Receipts | Capital Reserve | Borrowing  | Total        |
|                                      |   | £000       | £000         | £000       | £000       | £000       |         | £000                  | £000         | £000       | £000               |                  |                 | £000       | £000         |
| <u>EN14</u>                          | Improvements to six of the Boroughs parks | 70         |              |            |            |            |         | 70                    |              |            | 70                 |                  |                 |            | 70           |
| <u>EN20</u>                          | Old Court House - public toilets          |            | 40           |            |            |            |         | 40                    |              |            | 40                 |                  |                 |            | 40           |
| <u>New</u>                           | Princes & Edgwarebury Parks               | 149        |              |            |            |            |         | 149                   |              | 125        |                    |                  |                 | 24         | 149          |
| <u>EN16</u>                          | Finchley Lido - Major roof repairs        | 180        |              |            |            |            |         | 180                   |              |            |                    | 142              |                 | 38         | 180          |
|                                      | Park Infrastructure                       | 146        | 230          | 100        | 100        | 100        |         | 676                   |              |            |                    |                  |                 | 676        | 676          |
|                                      | Copthall Street Light                     | 120        |              |            |            |            |         | 120                   |              |            |                    |                  |                 | 120        | 120          |
| <u>EN65</u>                          | Waste                                     | 143        | 2,720        |            |            |            |         | 2,863                 |              |            |                    | 2,863            |                 |            | 2,863        |
|                                      | Cleansing                                 |            | 60           |            |            |            |         | 60                    |              | 60         |                    |                  |                 |            | 60           |
|                                      | Weekly Collection Support Scheme          |            | 1,818        |            |            |            |         | 1,818                 | 1,818        |            |                    |                  |                 |            | 1,818        |
|                                      |   | <b>808</b> | <b>4,868</b> | <b>100</b> | <b>100</b> | <b>100</b> |         | <b>5,976</b>          | <b>1,818</b> | <b>185</b> | <b>110</b>         | <b>3,005</b>     |                 | <b>858</b> | <b>5,976</b> |

| CAPITAL PROGRAMME 2012-13 TO 2017-18 |                                |         |         |         |         |         |         | TOTAL CAPITAL FUNDING |        |           |                      |                    |                  |           |         |
|--------------------------------------|--------------------------------|---------|---------|---------|---------|---------|---------|-----------------------|--------|-----------|----------------------|--------------------|------------------|-----------|---------|
| Housing Revenue Account              |                                | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | Total                 | Grants | RCCO/ MRA | Sub Regional Funding | Other (incl. S106) | Capital Receipts | Borrowing | Total   |
|                                      |                                | £000    | £000    | £000    | £000    | £000    | £000    | £000                  | £000   | £000      | £000                 | £000               | £000             | £000      | £000    |
| HS26                                 | Cash incentives                | 26      |         |         |         |         |         | 26                    |        | 26        |                      |                    |                  |           | 26      |
|                                      | Major Works (excl Granv Rd)    | 6,378   | 6,219   | 8,464   | 8,520   | 8,438   | 8,101   | 46,119                |        | 44,872    |                      | 1,247              |                  |           | 46,119  |
|                                      | Granville Road                 | 732     |         |         |         |         |         | 732                   |        | 721       |                      | 11                 |                  |           | 732     |
|                                      | Regeneration                   | 4,666   | 6,031   | 4,004   | 2,301   | 2,506   | 2,065   | 21,574                |        | 20,628    |                      | 946                |                  |           | 21,574  |
|                                      | Misc - Repairs                 | 1,675   | 1,728   | 1,316   | 942     | 2,020   | 2,073   | 9,754                 |        | 9,476     |                      | 277                |                  |           | 9,754   |
|                                      | M&E/ GAS                       | 2,744   | 12,211  | 13,066  | 15,014  | 8,254   | 8,079   | 59,368                |        | 57,398    |                      | 1,970              |                  |           | 59,368  |
|                                      | Voids and Lettings             | 466     | 1,967   | 1,980   | 1,712   | 1,806   | 1,853   | 9,783                 |        | 9,370     |                      | 413                |                  |           | 9,783   |
|                                      | Hostel Refurbishment Programme |         | 122     |         |         |         |         | 122                   |        | 122       |                      |                    |                  |           | 122     |
|                                      |                                | 16,687  | 28,279  | 28,829  | 28,488  | 23,024  | 22,171  | 147,478               |        | 142,614   |                      | 4,864              |                  |           | 147,478 |

**London Borough of Barnet  
Treasury Management Strategy Statement  
and Investment Strategy revised 2012/13  
2013/14 to 2015/16**

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- A. Current and Projected Portfolio Position**
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## 1. **Background**

- 1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Investment Strategy as required under the CLG's Investment Guidance.
- 1.2. As per the requirements of the Prudential Code the Authority adopted the CIPFA Treasury Management Code on 3 January 2003 and incorporates the changes from the revised CIPFA Code of Practice (2011) into its treasury policies, procedures and practices.
- 1.3. CIPFA has defined Treasury Management as:

*"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 1.4. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk is therefore central to the Council's treasury management strategy
- 1.5. The strategy takes into account the impact of the Council's revenue budget and capital programme on the balance sheet position, the current and projected treasury position (Annex A), the Prudential Indicators (Annex B) and the outlook for interest rates (Annex C).
- 1.6. The purpose of this Treasury Management Strategy Statement is to approve:
  - Revisions to Treasury Management Strategy and Prudential Indicators for 2012-13;
  - Treasury Management Strategy for 2013-14;
  - Annual Investment Strategy for 2013-14;
  - Prudential Indicators for 2013-14, 2014-15 and 2015-16 (Annex B)
  - MRP Statement. (See Para 9 )
- 1.7. All treasury activity will comply with relevant statute, guidance and accounting standards.
- 1.8. The main recommended revisions to the Treasury Management Strategy are to
  - Amend minimum credit ratings of financial institutions (minimum A- or equivalent) and its sovereign ( minimum AA+ or equivalent for non-UK sovereigns)
  - Extension of maximum investment duration from 1 to 2 years subject to a limit of £40 million for investments of more than one year duration (20% of average cash investments).
  - Extend range of counterparties to include investment with registered providers (registered social landlords), subject to investment advice for each new investment decision.
- 1.9. The other adjustments are amendments to reporting requirements to prudential indicators to reflect changes to the Prudential Code.

## 2. Balance Sheet and Treasury Position

2.1. The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Usable Reserves, are the core drivers of treasury management activity. The estimates, based on the current Revenue Budget and Capital Programmes, are:

**Table 1 Balance Sheet Summary Analysis:**

|  | <b>31/03/2013<br/>Estimate<br/>£000</b> | <b>31/03/2014<br/>Estimate<br/>£000</b> | <b>31/03/2015<br/>Estimate<br/>£000</b> | <b>31/03/2016<br/>Estimate<br/>£000</b> |
|--|---|---|---|---|
| General Fund CFR   | 172,774                                 | 193,671                                 | 211,399                                 | 217,446                                 |
| HRA CFR *  | 199,559                                 | 199,559                                 | 199,559                                 | 199,559                                 |
| <b>Total CFR</b>   | <b>372,333</b>                          | <b>393,230</b>                          | <b>410,958</b>                          | <b>417,005</b>                          |
| <b>Less:</b><br>Existing Profile of Borrowing<br>and Other Long Term Liabilities | (321,982)                               | (321,751)                               | (321,489)                               | (346,820)                               |
| <b>Cumulative Maximum<br/>Additional External<br/>Borrowing Requirement</b>      | <b>50,351</b>                           | <b>71,479</b>                           | <b>89,469</b>                           | <b>70,185</b>                           |
| Usable Reserves  | (154,714)                               | (100,000)                               | (100,000)                               | (100,000)                               |
| <b>Cumulative Net Borrowing<br/>Requirement/(Investments)</b>                    | <b>(104,363)</b>                        | <b>(28,521)</b>                         | <b>(10,531)</b>                         | <b>(29,815)</b>                         |

\* This figure reflects the HRA debt increase on account of Housing Reform of £102.580m.

2.2. The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at **Annex A**. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position. The Council will ensure that net physical external borrowing (i.e. net of investments) will not exceed the CFR other than for short term cash flow requirements. A list of Prudential Indicators is set out in **Annex B**.

### Financing costs

2.3. The estimate for interest payments in 2013/14 is £11.708 million (including £6.85m for HRA borrowing) and for interest receipts, £1.09m.

2.4. The Council is able to borrow funds in excess of the current level of its CFR up to the projected level in 2015/16. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required. Given current interest rates, this situation is very unlikely to occur in 2013/14.

2.5. The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practices. Overall borrowing will arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

2.6. The Council's balance of actual gross borrowing plus other long-term liabilities is shown in Annex A. This is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

2.7. The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

| <b>Authorised Limit for External Debt</b> | <b>2012/13 Revised £000</b> | <b>2013/14 Estimate £000</b> | <b>2014/15 Estimate £000</b> | <b>2015/16 Estimate £000</b> |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| Borrowing                                 | 431,414                     | 476,218                      | 457,106                      | 448,615                      |
| Other Long-term Liabilities               | 32,671                      | 32,409                       | 32,114                       | 31,780                       |
| <b>Total</b>                              | <b>464,085</b>              | <b>508,627</b>               | <b>489,220</b>               | <b>480,395</b>               |

2.8. The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

| <b>Operational Boundary for External Debt</b> | <b>2012/13 Revised £000</b> | <b>2013/14 Estimate £000</b> | <b>2014/15 Estimate £000</b> | <b>2015/16 Estimate £000</b> |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| Borrowing                                     | 431,414                     | 476,218                      | 457,106                      | 448,615                      |
| Other Long-term Liabilities                   | 17,671                      | 17,409                       | 17,114                       | 16,780                       |
| <b>Total</b>                                  | <b>449,085</b>              | <b>493,627</b>               | <b>474,220</b>               | <b>465,395</b>               |

### **Housing Revenue Account Self-Financing**

2.9. The reforms involve a removal of the housing subsidy system by offering a one of reallocation of debt the settlement of the reallocation took place on 28<sup>th</sup> March 2012 and resulted in the Council having an increase in debt to fund the settlement of £102.580 million. Revisions to the prudential indicators have been made from 2011-2012 onwards to reflect the increase in borrowing to reflect the self-financing settlement.

## **3. Outlook For Interest Rates**

3.1. The Council's Treasury adviser Arlingclose have provided an interest rate forecast which continues its theme of the last few years, that is, that interest rates will remain low for even longer. Indeed, the forecast is for official UK interest rates to remain at 0.5% until 2016 given the moribund outlook for economic growth and the extension of austerity measures announced in the Chancellor's Autumn Statement. The UK's safe haven status and minimal prospect of increases in official interest rates will continue to combine and support the theme within the forecast.

3.2. The economic interest rate outlook provided by the Council's current treasury advisor, Arlingclose Ltd, is attached at Annex C. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates

## 4. Borrowing Strategy

4.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Annex C indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a “cost of carry” for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority’s wider financial position. This position means that it is favourable, where possible, for the Council to use internal balances, rather than take on new debt, in the short term.

4.2 As indicated in Table 1, the Authority has a gross and net borrowing requirement and will be required to borrow up to £71 million in 2013/14 on a gross basis (to be financed mainly through internal borrowing). The Authority will adopt a flexible approach to future borrowing and debt rescheduling in consultation with its treasury management advisers. The following issues will be considered prior to undertaking any external borrowing:

:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.

### Sources of Borrowing and Portfolio implications

4.3 In conjunction with advice from its treasury advisor, the Authority will keep under review the following borrowing sources:

- Internal
- PWLB
- Local authorities
- Commercial banks
- European Investment Bank
- Capital markets (stock issues, commercial paper and bills)
- Structured finance
- Leasing

4.4 The cost of carry may result in an increased reliance upon shorter dated and variable rate borrowing for the Council. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority’s potential for exposure to shorter dated and variable rate borrowing will be kept under regular review, if applicable, by reference to the difference or spread between variable rate and longer term borrowing costs.



4.5 The Council has £62.5m loans which are LOBO loans (Lender's Options Borrower's Option) of which £45m of loans are currently in or will be in their call period in 2013/14. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB. The default response will however be early repayment without penalty.

### **Debt Rescheduling**

4.6 The Council's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

4.7 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring although occasional opportunities arise.

4.8 The rationale for rescheduling would be one or more of the following:

- Align long-term cash flow projections and debt levels
- Reduce investment balances and credit exposure via debt repayment
- Savings in interest costs with minimal risk
- Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
- Amending the profile of maturing debt to reduce any inherent refinancing risks.

4.9 Any borrowing and rescheduling activity will be done under delegated authority and reported to the Cabinet Resources Committee.

## **5 Annual Investment Strategy**

5.1 The Council sets an Annual Investment Strategy (AIS) in accordance with best practice and to comply with CLG Guidance on Local Government Investments.

5.2 The Council's investment priorities are:

- Security of the invested capital;
- Liquidity of the invested capital;
- An optimum yield which is commensurate with security and liquidity

5.3 The authority and its advisers remain on a heightened state of alert for credit or market distress that might adversely affect the Authority

5.4 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG. Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

5.5 The types of investments that may be used by the Authority and whether they are specified or non-specified are set out in the table below:

**Table 2: Specified and Non-Specified Investments**

| <b>Investment</b>   | <b>Specified</b> | <b>Non-Specified</b> |
|---|------------------|----------------------|
| Term deposits with banks and building societies           | ✓                | ✓                    |
| Term deposits with other UK local authorities             | ✓                | ✓                    |
| Investments with Registered Providers                     | ✓                | ✓                    |
| Certificates of deposit with banks and building societies | ✓                | ✓                    |
| Gilts   | ✓                | ✓                    |
| Treasury Bills (T-Bills)                                  | ✓                | x                    |
| Bonds issued by Multilateral Development Banks            | ✓                | ✓                    |
| Local Authority Bills                                     | ✓                | x                    |
| Commercial Paper  | ✓                | x                    |
| Corporate Bonds   | ✓                | ✓                    |
| AAA rated Money Market Funds                              | ✓                | x                    |
| Other Money Market and Collective Investment Schemes      | ✓                | ✓                    |
| Debt Management Account Deposit Facility                  | ✓                | x                    |

5.6 A number of changes have been implemented to investment strategy from 2012/13 in response to and evolving conditions in financial markets.

5.7 Registered Providers (RPs) have been included within specified and non-specified investments for 2013/14. Investments with RPs will be analysed on an individual basis and discussed with the Council's treasury adviser prior to an investment decision.

5.8 The Authority and its advisors, select countries and financial institutions after analysis and ongoing monitoring of:

- Published credit ratings for financial institutions (minimum A- or equivalent ) and its sovereign rating (minimum AA+ or equivalent for non-UK sovereigns)
- Credit Default Swaps (where quoted)
- Economic fundamentals (for example country's net debt as a percentage of its GDP)
- Sovereign support mechanisms
- Share Prices (where available)
- Corporate developments, news, articles, markets sentiment and momentum
- Subjective overlay

5.9 Any institution can be suspended or removed should any of the factors identified above give rise to concern.

5.10 The minimum credit rating for non-UK sovereigns is AA+ (or equivalent). For specified investments the minimum long term rating for counterparties is A- (or equivalent). As detailed in non-specified investments in Appendix E, the Director of Finance will have discretion to make investments with counterparties that do not meet the specified criteria on advice from Arlingclose.

Any institution will be suspended or removed should any of the factors identified above give rise to concern. Credit ratings are monitored by the Authority on an ongoing basis and whenever a new investment is under consideration. The Authority is informed by the treasury adviser of ratings changes and appropriate action to be taken.

5.10 The countries and institutions that would currently meet the proposed criteria for investments are included in **Annex D**.

5.11 It remains the Authority's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.

5.12 The Council revised its investment strategy in the wake of the banking crisis. This led to restrictions on investment duration and use of a limited range of counterparties. The duration limit for deposits was set at a maximum 364 days and further restricted by an operational overlay. The financial situation is more settled now and enough to consider extending investment duration beyond 364 days subject to an overall investment limit of £40 million up to 2 years.

5.13 The Council banks with the Cooperative Bank. At the current time, it does not meet the minimum specified investment credit criteria. Despite the credit rating being below the Authority's minimum criteria, the Co-operative Bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

## **6 Investment Strategy**

6.1 With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

6.2 In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.

6.3 Money market funds (MMFs) will be used as they provide good diversification. The Council will also seek to manage operational risk by using at least two MMF's. The Authority will also restrict its exposure to MMF's with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF. In the case of Government MMF's, the Council will ensure exposure to each Fund does not exceed 2% of the net asset value of the Fund.

## **7 Policy on Use of Financial Derivatives**

- 7.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 7.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 7.4 The Council will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.

## **8 Housing Revenue Account Self-Financing**

- 8.1 Central Government completed its reform of the Housing Revenue Account Subsidy system at the end of 2011/12. Local authorities are required to recharge interest expenditure and income attributable to the HRA in accordance with Determinations issued by the Department for Communities and Local Government.
- 8.2 The Determinations do not set out a methodology for calculating the interest rate to use in each instance. The Council is therefore required to adopt a policy that will set out how interest charges attributable to the HRA will be determined. The CIPFA Code recommends that authorities present this policy in their TMSS.
- 8.3 From 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account.
- 8.4 Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured and interest transferred annually between the General Fund and HRA at an internally determined rate of interest.

## **9 2012/13 MRP Statement**

9.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

9.2 The four MRP options available are:

Option 1: Regulatory Method

Option 2: CFR Method

Option 3: Asset Life Method

Option 4: Depreciation Method

*NB This does not preclude other prudent methods*

9.3 The four MRP options MRP in 2012/13: Options 1 and 2 may be used only for supported non –HRA capital expenditure funded from borrowing. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported non HRA capital expenditure if the Council chooses). There is no requirement to Charge MRP in respect of HRA capital expenditure funded for borrowing (Barnet policy).

9.4 The MRP Statement will be submitted to Council before the start of the 2012/13 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

9.5 The Council will apply Option 2 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.

9.6 MRP in respect of leases brought on Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability.

## **10 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**

10.1 Treasury activity is monitored and reported internally to Deputy Chief Executive. The Prudential Indicators will be monitored through the year and reported as under:

The Deputy Chief Executive will report to the Cabinet Resources Committee on treasury management activity / performance and Performance Indicators as follows:

- (a) Quarterly against the strategy approved for the year.
- (b) The Council will produce an outturn report on its treasury activity no later than 30<sup>th</sup> September after the financial year end.
- (c) The Budget Performance Overview and Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.

## **11 Other Items**

### **Training**

11.1 CIPFA's Code of Practice requires the Deputy Chief Executive to ensure that all members tasked with treasury management responsibilities, including scrutiny of

the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

### **Investment Consultants**

- 11.2 The CLG's Guidance on local government investments recommend that the Investment Strategy should state:
- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
  - How the quality of any such service is controlled.
- 11.3 Following a tender process, the Council appointed Arlingclose as their Treasury Investment Consultants from effect 1 August 2010. Arlingclose provide advice, information and assistance with investments, borrowing, debt restructure, market conditions and compliance with legislation. The services provided by Arlingclose are reviewed on an informal basis during quarterly meetings with officers and periodic tendering.

## EXISTING PORTFOLIO PROJECTED FORWARD

|  | <b>Current<br/>Portfolio<br/>£000</b> | <b>31 Mar 13<br/>Estimate<br/>£000</b> | <b>31 Mar 14<br/>Estimate<br/>£000</b> | <b>31 Mar 15<br/>Estimate<br/>£000</b> | <b>31 Mar 16<br/>Estimate<br/>£000</b> |
|--|---------------------------------------|--|--|--|--|
| <b>External Borrowing:</b>                                   |                                       |  |  |  |  |
| Fixed Rate – PWLB  | 241,580                               | 241,580                                | 241,580                                | 267,206                                | 282,170                                |
| Fixed Rate – Market  |                                       |  |  |  |  |
| Variable Rate – PWLB   | 62,500                                | 62,500                                 | 62,500                                 | 62,500                                 | 62,500                                 |
| Variable Rate – Market                                       |                                       |  |  |  |  |
| <b>Total External Borrowing</b>                              | <b>304,080</b>                        | <b>304,080</b>                         | <b>304,080</b>                         | <b>329,706</b>                         | <b>344,670</b>                         |
| <b>IFRS Long Term<br/>Liabilities:</b>                       |                                       |  |  |  |  |
| - PFI  | 17,671                                | 17,671                                 | 17,409                                 | 17,114                                 | 16,780                                 |
| <b>Total Gross External Debt</b>                             | <b>321,751</b>                        | <b>321,751</b>                         | <b>321,489</b>                         | <b>346,820</b>                         | <b>361,450</b>                         |
| <b>Investments:</b>  |                                       |  |  |  |  |
| <i>Managed in-house</i>                                      |                                       |  |  |  |  |
| - Short-term monies<br>(Deposits/ monies on<br>call /MMFs)   | (220,000)                             | (180,000)                              | (152,000)                              | (142,000)                              | (132,000)                              |
| - Long-term investments<br>(maturities over 12<br>months)    |                                       |  |  |  |  |
| <b>Total Investments</b>                                     | <b>(220,000)</b>                      | <b>(180,000)</b>                       | <b>(152,000)</b>                       | <b>(142,000)</b>                       | <b>(132,000)</b>                       |
| <b>Net Borrowing Position/<br/>(Net Investment position)</b> | <b>101,751</b>                        | <b>141,751</b>                         | <b>169,489</b>                         | <b>204,820</b>                         | <b>229,450</b>                         |

## PRUDENTIAL INDICATORS

**Prudential Indicators**

1 There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code", when setting and reviewing their Prudential Indicators.

**Gross Debt and the Capital Financing Requirement;**

2 This is key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two years. The DCE reports that the authority had no difficulty meeting this requirement in 2011/12, nor is there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

**Estimates of Capital Expenditure:**

3 It is a requirement of the Prudential Code that that the Council ensures that capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

| <b>Capital Expenditure</b> | <b>2012/13<br/>Revised<br/>£000</b> | <b>2013/14<br/>Estimate<br/>£000</b> | <b>2014/15<br/>Estimate<br/>£000</b> | <b>2015/16<br/>Estimate<br/>£000</b> |
|----------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Non-HRA                    | 47,850                              | 112,895                              | 49,492                               | 26,075                               |
| HRA                        | 16,687                              | 28,279                               | 28,829                               | 28,488                               |
| <b>Total</b>               | <b>64,537</b>                       | <b>141,174</b>                       | <b>78,321</b>                        | <b>54,563</b>                        |

4 Capital expenditure is expected to be financed as follows

| <b>Capital Financing</b>           | <b>2012/13<br/>Revised<br/>£000</b> | <b>2013/14<br/>Estimate<br/>£000</b> | <b>2014/15<br/>Estimate<br/>£000</b> | <b>2015/16<br/>Estimate<br/>£000</b> |
|------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Capital receipts                   | 14,251                              | 33,873                               | 1,853                                |                                      |
| Government Grants                  | 20,286                              | 42,365                               | 14,322                               | 7,296                                |
| Major Repairs Allowance            | 15,948                              | 27,332                               | 27,892                               | 27,594                               |
| Revenue contributions              | 5,740                               | 9,755                                | 8,629                                | 4,709                                |
| <b>Total Financing</b>             | <b>56,225</b>                       | <b>113,325</b>                       | <b>52,696</b>                        | <b>39,599</b>                        |
| Supported borrowing                |                                     |                                      |                                      |                                      |
| Unsupported borrowing              | 8,312                               | 27,729                               | 25,625                               | 14,964                               |
| <b>Total Funding</b>               | <b>8,312</b>                        | <b>27,729</b>                        | <b>25,625</b>                        | <b>14,964</b>                        |
| <b>Total Financing and Funding</b> | <b>64,537</b>                       | <b>141,054</b>                       | <b>78,321</b>                        | <b>54,563</b>                        |



### Incremental Impact of Capital Investment Decisions

5 As an indicator of affordability the table below shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

| <b>Incremental Impact of Capital Investment Decisions</b> | <b>2012/13 Revised £</b> | <b>2013/14 Estimate £</b> | <b>2014/15 Estimate £</b> | <b>2015/16 Estimate £</b> |
|---|--------------------------|---------------------------|---------------------------|---------------------------|
| Increase in Band D Council Tax                            | 13.77                    | 36.94                     | 14.24                     | 8.24                      |
| Increase in Average Weekly Housing Rents                  | 11.75                    | 0.98                      | (0.60)                    | (9.70)                    |

### Financing costs

6. The ratio of financing costs to the Council's net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on costs net of investment income.

| <b>Ratio of Financing Costs to Net Revenue Stream</b> | <b>2012/13 Revised %</b> | <b>2013/14 Estimate %</b> | <b>2014/15 Estimate %</b> | <b>2015/16 Estimate %</b> |
|---|--------------------------|---------------------------|---------------------------|---------------------------|
| Non-HRA   | 2.69                     | 2.89                      | 3.46                      | 3.92                      |
| HRA   | 14.98                    | 14.13                     | 14.21                     | 14.33                     |

### Upper Limits for Fixed Interest Rate Exposure and Variable Rate Exposure

7. The following Prudential Indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments. The Council's existing level of fixed interest rate exposure is 100% and variable rate exposure is 0%.

|  | <b>2012/13 Revised %</b> | <b>2013/14 Estimate %</b> | <b>2014/15 Estimate %</b> | <b>2015/16 Estimate %</b> |
|--|--------------------------|---------------------------|---------------------------|---------------------------|
| <b>Upper Limit for Fixed Interest Rate Exposure</b>    | 100%                     | 100%                      | 100%                      | 100%                      |
| <b>Upper Limit for Variable Interest Rate Exposure</b> | 30%                      | 30%                       | 30%                       | 30%                       |

## Maturity Structure of Fixed Rate Borrowing

8. The Council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years. It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

| Maturity structure of fixed rate borrowing | Existing level (or Benchmark level) at 31/03/12 % | Lower Limit for 2013/14 % | Upper Limit for 2013/14 % |
|--|---|---------------------------|---------------------------|
| under 12 months                            | 0.0   | 0                         | 50                        |
| 12 months and within 24 months             | 0.0   | 0                         | 50                        |
| 24 months and within 5 years               | 0.0   | 0                         | 75                        |
| 5 years and within 10 years                | 0   | 0                         | 75                        |
| 10 years and within 20 years               | 30.6  | 0                         | 100                       |
| 20 years and within 30 years               | 35.5  | 0                         | 100                       |
| 30 years and within 40 years               | 6.8   | 0                         | 100                       |
| 40 years and within 50 years               | 9.0   | 0                         | 100                       |
| 50 years and above                         | 18.1  | 0                         | 100                       |

### Actual External Debt:

9. This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

| Actual External Debt as at 31/03/2012 | £000           |
|---------------------------------------|----------------|
| Borrowing                             | 304,080        |
| Other Long-term Liabilities           | 17,902         |
| <b>Total</b>                          | <b>321,982</b> |

### Upper Limit for principal sums invested over 364 days:

10 The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

| Upper Limit for total principal sums invested over 364 days | 2012/13 Revised £000 | 2013/14 Estimate £000 | 2014/15 Estimate £000 | 2015/16 Estimate £000 |
|---|----------------------|-----------------------|-----------------------|-----------------------|
|   | 0                    | 40,000                | 0                     | 0                     |

## HRA Limit on Indebtedness

11 This was a new indicator required by the revised Prudential Code, issued in November 2011:

| HRA Limit On Indebtedness             | 2012/13 Revised £000 | 2013/14 Estimate £000 | 2014/15 Estimate £000 | 2015/16 Estimate £000 |
|---------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| HRA CFR                               | 199,559              | 199,559               | 199,559               | 199,559               |
| HRA Debt Cap (as prescribed by CLG) * | 240,043              | 240,043               | 240,043               | 240,043               |
| Difference                            | (40,484)             | (40,484)              | (40,484)              | (40,484)              |

ANNEX C

### Annex C – Economic & Interest Rate Forecast (Sections 4.1 & 5.1)

|                           | Mar-13 | Jun-13 | Sep-13 | Dec-13 | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Official Bank Rate</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               |        |        | 0.25   | 0.25   | 0.25   | 0.25   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Central case              | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Downside risk             |        | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| <b>3-month LIBID</b>      |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.25   | 0.25   | 0.25   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 0.75   |
| Central case              | 0.40   | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.50   | 0.55   | 0.55   | 0.55   | 0.60   | 0.60   |
| Downside risk             | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| <b>1-yr LIBID</b>         |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 0.75   |
| Central case              | 0.85   | 0.90   | 0.95   | 0.95   | 1.00   | 1.00   | 1.00   | 1.00   | 1.10   | 1.10   | 1.10   | 1.10   | 1.10   |
| Downside risk             | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| <b>5-yr gilt</b>          |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Central case              | 0.95   | 0.95   | 0.95   | 0.95   | 1.00   | 1.00   | 1.00   | 1.00   | 1.10   | 1.10   | 1.10   | 1.20   | 1.20   |
| Downside risk             | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| <b>10-yr gilt</b>         |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   |
| Central case              | 2.00   | 2.00   | 2.05   | 2.05   | 2.05   | 2.05   | 2.10   | 2.10   | 2.10   | 2.20   | 2.20   | 2.20   | 2.20   |
| Downside risk             | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| <b>20-yr gilt</b>         |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Central case              | 2.90   | 2.90   | 2.90   | 2.90   | 3.00   | 3.00   | 3.00   | 3.00   | 3.10   | 3.10   | 3.10   | 3.10   | 3.10   |
| Downside risk             | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| <b>50-yr gilt</b>         |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   |
| Central case              | 3.35   | 3.35   | 3.35   | 3.40   | 3.40   | 3.40   | 3.50   | 3.50   | 3.50   | 3.50   | 3.60   | 3.60   | 3.60   |
| Downside risk             | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |

### Underlying Assumptions:

- UK growth is unlikely to return to above trend for the foreseeable future. Q3 GDP was strong at 0.9% but this momentum is unlikely to be sustained in Q4 or in 2013. The rebalancing from public-sector driven consumption to private sector demand and investment is yet to manifest, and there is little sign of productivity growth. Further contraction in the Eurozone, including Germany's powerful economy, and slower forecast growth in the emerging economies (Brazil/Mexico/India) are exacerbating the weakness.
- Consumer Price Inflation has fallen to 2.7 % from a peak of 5.2%. Near term CPI is likely to be affected by volatility in commodity prices and its decrease towards the 2% target is expected to be slower than previously estimated. Real wage growth (i.e. after inflation) is forecast to remain weak.

- The fiscal outlook for bringing down the structural deficit and stabilise debt levels remains very challenging. Weakened credibility of the UK reining its levels of debt poses a risk to the AAA status, but recent history (US, France) suggests this may not automatically result in a sell-off in gilts.
- In the absence of large, unexpected decline in growth, QE is likely to remain on hold at £375bn for now. The availability of cheaper bank borrowing and subsequently for corporates through the Funding for Lending Scheme (FLS) is a supporting factor.
- The US Federal Reserve's shift in its rate guidance from a date-based indication to economic thresholds (6.5% unemployment, inflation 1 – 2 years out projected to remain below 2.5%, longer term inflation expectations remain well anchored) is likely to increase market uncertainty around the highly volatile US employment data releases.
- The Eurozone is making slow headway which has curtailed some of the immediate risks although peripheral countries continue to struggle. Fully-fledged banking and fiscal union is still some years away.
- In the US, the issues of spending cuts, reducing the budget deficit and raising the country's debt ceiling remain unresolved. A failure to address these by March 2013 could lead to a similar showdown and risks a downgrade to the US sovereign credit rating by one or more agencies.
- A reversal in market risk sentiment from current "risk on" to "risk off" could be triggered by economic and/or political events – impending Italian and German elections, US debt ceiling impasse, difficulty surrounding Cyprus' bailout, and contagion returning the haunt the European peripheral nations – could inject renewed volatility into gilts and sovereign bonds.

## Annex D –Recommended Sovereign and Counterparty List (Section 5 and 6)

For credit rated counterparties, the minimum criteria will be the lowest equivalent long-term ratings assigned by Fitch, Moody's and Standard & Poor's (where assigned).

### Long-term minimum: A-(Fitch); A (Moody's); A (S&P)

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

### Investment subject to £40 million total limit if duration more than 364 days

**Group Limits** - For institutions within a banking group, the authority executes a limit of 1.5 times the individual limit of a single bank within that group.

New specified investments will be made within the following limits:

| Instrument                                     | Country/<br>Domicile                | Counterparty  | Maximum<br>Limits £m                                       | Counterparty |
|--|-------------------------------------|---|--|--------------|
| Term Deposits                                  | UK                                  | DMADF, DMO  | No limit   |              |
| Term Deposits/Call Accounts                    | UK                                  | Other UK Local Authorities  | No limit   |              |
| Term Deposits/Call Accounts                    | UK*                                 | Counterparties rated at least A- Long Term)   |  |              |
| Term Deposits/Call Accounts                    | Non-UK*                             | Counterparties rated at least A- Long Term in select countries with a Sovereign Rating of at least AA+  |  |              |
| CDs and other negotiable instruments           |                                     | with banks and building societies which meet the specified investment criteria (on advice from TM Adviser)                                      |  |              |
| Deposits                                       | UK                                  | Registered Providers (Former RSLs)  | £5m/RP   |              |
| Gilts  | UK                                  | DMO   | No limit   |              |
| T-Bills  | UK                                  | DMO   | No limit   |              |
| Bonds issued by multilateral development banks |                                     | (For example, European Investment Bank/Council of Europe, Inter American Development Bank)  |  |              |
| AAA-rated Money Market Funds                   | UK/Ireland/<br>Luxembourg domiciled | CNAV MMF's<br>VNAV MMF's (where there is greater than 12 month history of a consistent £1 Net Asset Value)                                      | 10% of total LBB investment cash outstanding for each MMF. |              |
| Other MMF's and CIS                            | UK/Ireland/<br>Luxembourg domiciled | Collective Investment Schemes (pooled funds) which meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573 and | 10% of total LBB investment cash outstanding for each MMF. |              |

|  |  |                       |  |
|--|--|-----------------------|--|
|  |  | subsequent amendments |  |
|--|--|-----------------------|--|

**For Non-UK Banks** - a maximum exposure of £40 million per country will apply to limit the risk of over-exposure to any one country.

| <b>Instrument</b>           | <b>Country/<br/>Domicile</b> | <b>Counterparty</b>   | <b>Maximum<br/>Counterparty<br/>Limit £m</b> | <b>Maximum<br/>Group Limit<br/>(if<br/>applicable)<br/>£m</b> |
|-----------------------------|------------------------------|---|--|---|
| Term Deposits/Call Accounts | UK                           | Bank of Scotland (Lloyds Banking Group)                     | £25,000,000                                  | £37,500,000   |
| Term Deposits/Call Accounts | UK                           | Lloyds TSB (Lloyds Banking Group)                           | £25,000,000                                  | £37,500,000   |
| Term Deposits/Call Accounts | UK                           | Barclays Bank Plc   | £25,000,000                                  |   |
| Term Deposits/Call Accounts | UK                           | Clydesdale Bank (National Australia Bank Group)             | £25,000,000                                  | £37,500,000   |
| Term Deposits/Call Accounts | UK                           | HSBC Bank Plc   | £25,000,000                                  |   |
| Term Deposits/Call Accounts | UK                           | Nationwide Building Society                                 | £25,000,000                                  |   |
| Term Deposits/Call Accounts | UK                           | NatWest (RBS Group)   | £25,000,000                                  | £37,500,000   |
| Term Deposits/Call Accounts | UK                           | Royal Bank of Scotland (RBS Group)                          | £25,000,000                                  | £37,500,000   |
| Term Deposits/Call Accounts | UK                           | Standard Chartered  | £25,000,000                                  |   |
| Term Deposits/Call Accounts | Australia                    | Australia and NZ Banking Group                              | £25,000,000                                  |   |
| Term Deposits/Call Accounts | Australia                    | Commonwealth Bank of Australia                              | £25,000,000                                  |   |
| Term Deposits/Call Accounts | Australia                    | National Australia Bank Ltd (National Australia Bank Group) | £25,000,000                                  | £37,500,000   |
| Term Deposits/Call Accounts | Australia                    | Westpac Banking Corp  | £25,000,000                                  |   |
| Term Deposits/Call Accounts | Canada                       | Bank of Montreal  | £25,000,000                                  |   |
| Term Deposits/Call          | Canada                       | Bank of Nova Scotia   | £25,000,000                                  |   |

|                             |        |                                    |             |  |
|-----------------------------|--------|------------------------------------|-------------|--|
| Accounts                    |        |                                    |             |  |
| Term Deposits/Call Accounts | Canada | Canadian Imperial Bank of Commerce | £25,000,000 |  |
| Term Deposits/Call Accounts | Canada | Royal Bank of Canada               | £25,000,000 |  |
| Term Deposits/Call Accounts | Canada | Toronto-Dominion Bank              | £25,000,000 |  |
|                             |        |                                    |             |  |

*Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively if a counterparty is downgraded, this list may be shortened.*

**Non-specified investments may be made with the following instruments :  
(The Authority will have a maximum of £100million of its investment portfolio in non-specified investments.)**

| <b>Instrument</b>   | <b>Maximum maturity</b> | <b>Max £M of portfolio and Credit limit</b>                              | <b>Capital expenditure?</b> | <b>Example</b>  |
|---|-------------------------|--|-----------------------------|---|
| Term deposits with banks, building societies which meet the specified investment criteria   | 2 years                 | £10m per counterparty  | No                          |   |
| Term deposits with local authorities  | 2 years                 | £10m per authority   | No                          |   |
| CDs and other negotiable instruments with banks and building societies which meet the specified investment criteria   | 2 years                 | £10m per counterparty  | No                          |   |
| Gilts   | 5 years                 | £20 million<br>Credit limit not applicable gilts issued by UK Government | No                          |   |
| Bonds issued by multilateral development banks  | 5 years                 | £20 million<br>Minimum credit rating AA+                                 | No                          | EIB Bonds, Council of Europe Bonds etc.                     |
| Sterling denominated bonds by non-UK sovereign governments  | 5 years                 | £20 million<br>Minimum credit rating AA+                                 | No                          |   |
| <b>Other Non-Specified investments for consideration</b> (such investment will be subject to credit assessment by the Council's treasury advisor on a case by case basis) |                         |  |                             |   |
| Money Market Funds and  | N/A – these funds do    | £20 million  | No                          | Investec Target Return Fund; Elite Charteris Premium Income |



|  |   |   |     |   |
|--|---|---|-----|---|
| Collective Investment Schemes  | not have a defined maturity date                      |   |     | Fund; LAMIT; M&G Global Dividend Growth Fund  |
| Deposits with registered providers   | 5 years   | £5m per registered provider/£20 million overall | No  |   |
| Corporate and debt instruments issued by corporate bodies purchased from 01/04/12 onwards  | 5 years   | 20%   | No  |   |
| Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573 and subsequent amendments | N/A – these funds do not have a defined maturity date | £10 million                                     | Yes | Way Charteris Gold Portfolio Fund; Aviva Lime Fund  |
| Bank or building societies not meeting specified criteria  | 3 months  | £10m per counterparty                           | No  | Bank or building societies not meeting specified criteria e.g. Co-operative Bank /Clydesdale/unrated Building Societies |
|  |   | £   |     |   |
|  | Subject to a maximum of £20m overall                  |   |     |   |



Housing Revenue Account

Appendix 7

| HOUSING REVENUE ACCOUNT                                  |                     |                     |
|--|---------------------|---------------------|
|  | 2012/13             | 2013/14             |
|  | Original Budget     | Original Budget     |
|  | £                   | £                   |
| <b>Income</b>  |                     |                     |
| Dwelling rents   | (51,887,260)        | (53,879,221)        |
| Non-dwelling rents                                       | (1,622,982)         | (1,684,077)         |
| Tenants Charges for services and facilities              | (4,119,040)         | (4,610,434)         |
| Leaseholder Charges for Services and Facilities          | (2,872,967)         | (2,922,773)         |
| <b>Total Income</b>                                      | <b>(60,502,249)</b> | <b>(63,096,505)</b> |
| <b>Expenditure</b>                                       |                     |                     |
| Repairs and Maintenance                                  | 8,050,000           | 7,800,000           |
| Supervision and management                               |                     |                     |
| General  | 14,587,510          | 14,397,510          |
| Special  | 6,756,617           | 6,756,617           |
| Rents, Rates, taxes and other charges                    | 121,500             | 121,500             |
| Depreciation and impairment of fixed assets              | 12,866,805          | 12,866,805          |
| Contribution to Major Repairs Reserve                    | 7,625,356           | 14,465,022          |
| Debt Management Costs                                    | 8,254,911           | 7,509,956           |
| Increase in bad debt provision                           | 450,000             | 500,000             |
| <b>Total Expenditure</b>                                 | <b>58,712,699</b>   | <b>64,417,410</b>   |
| <b>Net Cost of HRA Services</b>                          | <b>(1,789,550)</b>  | <b>1,320,905</b>    |
| Interest and investment income                           | (80,000)            | (80,000)            |
| <b>(Surplus) or deficit for the year on HRA services</b> | <b>(1,869,550)</b>  | <b>1,240,905</b>    |

## **1. Introduction**

- 1.1 The Local Government & Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account and prescribed the debits and credits for it. Any surpluses generated from the HRA can be used to support the account when it fails to break even and for any one year a budget can be set such 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 2012 the HRA balances were £7.8m, and forecast to be £16.8m at 31 March 2013.
- 1.2 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.

## **2. HRA Self financing**

- 2.1 Although the HRA settlement assumed that rents would continue to increase in line with the formula  $RPI + 0.5\% + £2$  until convergence was achieved with housing association rents, Local Authorities are now at liberty to set rents locally. The only potential financial constraint is the rent rebate limit, which determines the subsidy that the Council can claim from the Treasury for housing benefit payments made to tenants, if the average council rent exceeds the rent rebate limit rent, the Council cannot claim full housing benefit subsidy on this additional amount.
- 2.2 Rents for council tenants will be increased at a flat rate of 2.5% from April 2013. This is below the formula rent and takes account of the additional financial strain that some households are currently experiencing due to the economic downturn and changes to welfare benefits. This will require a re-profiling of the 30 year HRA Business Plan to take account of the resulting loss of income.

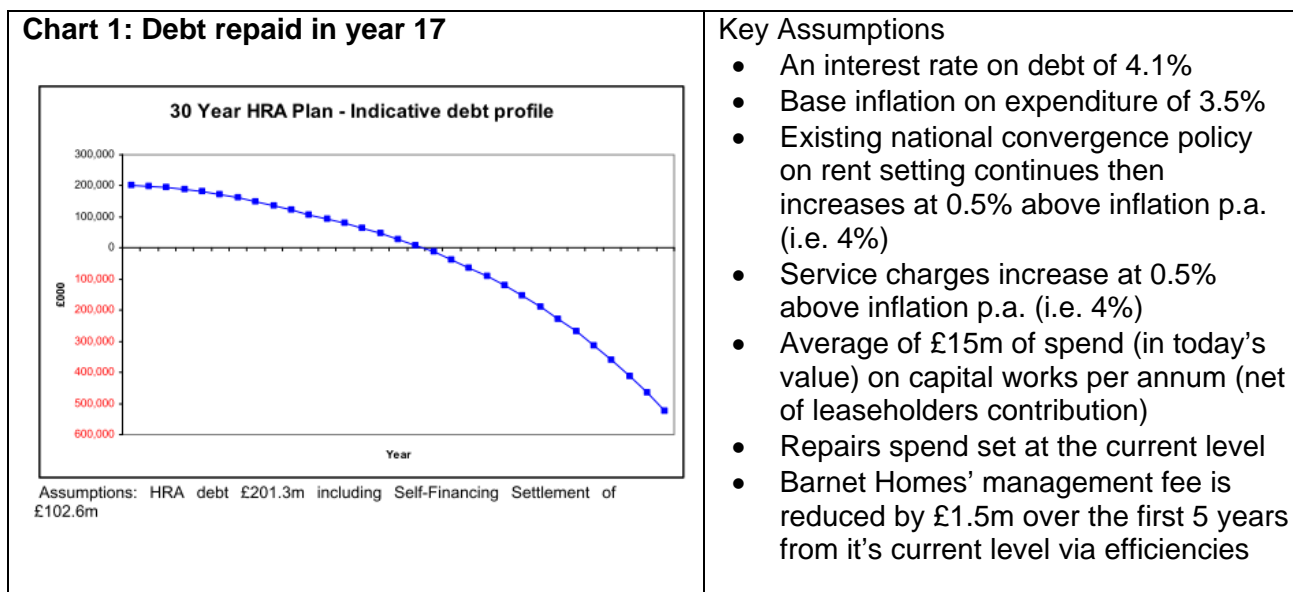
## **3. HRA Summary & Working Balance**

- 3.1 Total expenditure for 2013/14 is estimated at £64.4m, including charges for financing HRA debt under the self financing proposals and a contribution to the Major Repairs Reserve of £14.5m. The currently proposed average rent increase of 2.50% is estimated to raise an additional £1.3m.
- 3.2 The HRA for 2013/14 shows a use of balances of £1.2m, after a contribution to Major Repairs Reserve of £14.5m. The estimated HRA balance as at 31 March 2014 is £15.6m.

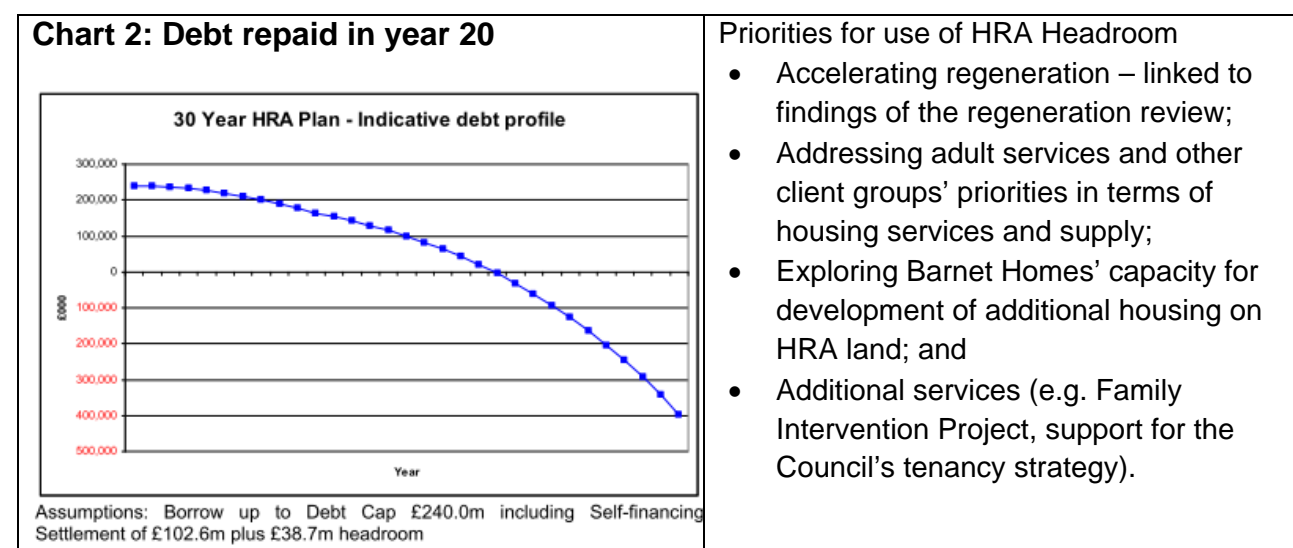
## Appendix 1

### 1. HRA Business Plan

1.1 The Council developed a 30 year HRA business plan as part of its business plan 2012/13, which set out how the HRA would generate surpluses over and above the costs of managing and maintaining the Council's housing stock, with the assumption that any surpluses will be used to repay HRA debt. This showed that the HRA debt would be completely cleared within 17 years:



1.2 The business plan has also considered a scenario whereby in addition to the key assumptions in Chart 1, the Council is able to take full advantage of the allowable HRA headroom capacity by increasing borrowing by £38m to a total of £240m debt in order to deliver additional council priorities. and showed that this would result in the HRA debt being completely cleared by 2020:Chart 2 demonstrates that the additional borrowing would take an extra three years to pay off.



The HRA business plan can now be updated to take account of progress against the priorities identified for making use of the headroom. In addition, the Council now has more freedom around rent setting.

## **2 Rent Setting**

2.1 Although the HRA settlement assumed that rents would continue to increase in line with the formula RPI + 0.5% + £2 until convergence was achieved with housing association rents, Local Authorities are now at liberty to set rents locally. The only potential financial constraint is the rent rebate limit, which determines the subsidy that the Council can claim from the Treasury for housing benefit payments made to tenants, if the average council rent exceeds the rent rebate limit rent, the Council cannot claim full housing benefit subsidy on this additional amount.

2.2 Rents for council tenants will be increased at a flat rate of 2.5% from April 2013. This is below the formula rent and takes account of the additional financial strain that some households are currently experiencing due to the economic downturn and changes to welfare benefits. This will require a re-profiling of the 30 year HRA Business Plan to take account of the resulting loss of income.

## **3 Investment Programme**

### **Existing Stock outside of Regeneration Estates**

3.1 Barnet Homes have carried out an extensive review of the capital expenditure programmed for the existing housing stock and identified £32.5m of additional essential expenditure that need to be factored into the HRA business plan over the next 10 years including:

- Accelerated replacement programme for electrical mains following fire at Upper Fosters in April 2012
- Updated assessment of rewiring requirements for housing stock
- Addition of properties at Ramsey Close into the HRA Business Plan
- Inclusion of additional works on West Hendon estate

3.2 A full business case will be submitted to the Cabinet Resources Committee in due course.

### **Supported housing**

3.3 Priorities for supported housing have been identified with Adult Social Care which are summarised in the following table:

| <b>Title</b>  | <b>Client group</b>           | <b>Summary</b>  | <b>Units</b> | <b>Est. Cost</b> | <b>Est. Revenue Saving</b> |
|---|-------------------------------|---|--------------|------------------|----------------------------|
| Retirement village – 1. Dementia / extra care housing | Older people                  | Establish additional location for delivery of flexible extra care in block or cluster arrangement. Dementia mixed model of housing units 50 units based on Housing Strategy needs analysis.               | 50           | £5.51m           | £0.69m                     |
| Retirement village – 2. extra care housing            | Older people                  | Retirement village - widen the opportunities to people with disability to live in the community - proposal is for 50 ASCH clients the remaining 50 units would be for sale (outright or shared ownership) | 100          | £6.44m           | £0.52m                     |
| Wheelchair accessible units                           | Physical / sensory impairment | Accessible units of independent accommodation for people who otherwise need to look at residential- including 60k for accessible housing register   | 25           | £3.58m           | £2.35m                     |
|   |                               |   | <b>Total</b> | <b>£15.53m</b>   | <b>£3.56m</b>              |

3.4 A full business case will be worked up for the delivery of these priorities early in 2013/14 to help achieve the projected medium term financial savings for Adult Social Care.

### **Regeneration**

3.5 It was agreed at Cabinet Resources Committee on 17 July 2012 that up to £5m of HRA funding would be made available to support the Grahame Park regeneration scheme. This money will be used to support the sale of homes at a 20% discount on market prices on a shared equity basis.

3.6 Some of the supported housing priorities identified above are also likely to be delivered through the regeneration programme.

### **Council Housing New Build/Acquisition Programme**

3.7 The Council is facing difficulties to meet its obligations to provide housing for vulnerable people in the borough due to a reduction in the supply of private rented sector homes available for housing applicants.

3.8 Barnet Homes have identified sites on HRA land that could provide an additional 300 new build homes over the next 10 years. A significant number of these new homes will be delivered during 2013/14.

3.9 A full business case for the construction of new council homes via Barnet Homes is currently being developed. It is intended that this will meet the need to supply additional wheelchair accessible homes.

3.10 A combination of market conditions and welfare reform mean that the supply of affordable homes in the borough is inadequate and unaffordable for some larger households. A business case for a programme of acquisitions

outside of London to provide affordable homes for housing applicants funded through the HRA is being developed.

Based on the existing information available, the level of capital programme proposed is currently affordable throughout the 30 years of the HRA business plan.



**Environment Planning and Regeneration (EPR)*****Equalities Impact Assessment statement on 2013/14 Budget Proposals***

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The EPR directorate has a total savings target contribution of £3.056 million for the next financial year 2013/14 which represents savings contribution of £1.530 million from the Development and Regulatory Services (DRS) and £1.526 million from the Streetscene service (including Parking.) The savings break down into a total of £2.411 million in efficiency savings, £425,000 in service reductions and £220,000 in new revenue streams.

Details of these proposals were published in the council's Business Planning 2013/14 – 2015/16 report to Cabinet on 7 November 2012. Public consultation on these proposals commenced on 8 November and will end on 31 January 2013.

EPR has also consulted on its proposed 2013/14 schedule of fees and charges increases that it intends to implement from March 2013. The Schedule includes proposed new and above inflation charges for a range of services within EPR. The consultation ran from 8 November to 21 December 2012.

A review of the equality impact of the EPR budget decisions and fees & charges for the 2013/14 year has been undertaken. Most of the proposals have rolled forward from the budget savings process of the previous financial year 2011/12 and for which equalities impact analysis had already been considered and kept under review.

Where a proposal is at an early stage of development EPR will further consider and analyse what, if any, impact there on any protected group when the proposal is better formed. The result of this analysis will then be presented to members when they further consider the proposal.

**Efficiency Savings**

Consultation and equalities impact assessment for the 2013/14 Parking efficiency savings was undertaken as part of the 2011/12 budget planning process. As the proposal was to maintain the existing service, albeit at a lower cost, and via a private provider it was not anticipated that the change will have an adverse or significant impact on the way the service is delivered or experienced by users in the protected characteristic groups. Nevertheless these are continually monitored via the existing contract protocols in place to ensure that our equalities considerations are up to date.

The other efficiency savings proposed within Streetscene relate to projects and work streams that will be developed over the course of the 2013/14 year. Service led consultations and equality impact assessments will be done as part of the project development and implementation plans. These will give careful consideration in terms of equality and diversity issues in order to identify and analyse what, if any, potential impact the proposals may have on any residents and users of the services within the protected groups.

The bulk of the efficiency savings £1.530 million relate to the ongoing DRS procurement process under the One Barnet Programme. Equalities impact assessment has been undertaken as part of that project.

## Service Reductions

Service reduction proposals for the re-profiling of the street lighting column installation programme were considered carefully in terms of equalities impacts during the previous 2011/12 budget savings and consultation process. The programme of street lighting column replacements was being halted and the capital funding saved re-invested in new technology which will allow lights to be dimmed and switched at different times and thus deriving savings in the energy charges of operating the street lighting. By dimming lights the lighting levels will be lowered, however this will be strictly controlled to ensure that the lowered lighting levels are still in compliance with the Code of Practice for lighting the public highway. That assessment concluded an equal impact on the community with no adverse effect in one particular protected characteristics group. Nevertheless these proposals have been considered again to ensure that our equalities considerations are up to date.

## Income and Charging proposals

Initial assessments done on proposals relating to changing provider for the textile bring bank contract and introduction of moving traffic violations concluded there is no need to proceed to a full impact assessment. This proposal will use the council's existing powers of enforcement against traffic contraventions to ensure flow of traffic. The duty and service is universal and impact only to road users who are in contravention of traffic laws such as banned turns and obstruction to yellow box junctions. There is no equalities impact anticipated to any of the protected characteristics groupings.

Income generating proposals for roll out of private events in parks were considered carefully in terms of equalities impacts during the previous 2011/12 budget savings and consultation process. Due consideration was given to the equalities impact of proposals to extend hiring of parks for private events in specific parks and identified minimal impact to park users and local residents. These were further mitigated by detailed policies that included assessments on individual application basis. The proposals were subsequently subject to a public consultation which generated significant interest and feedback from local residents. No private events have actually happened in the year since implementation but this will continue to be monitored for impact.

## Fees and Charges

The Fees and Charges schedule includes above inflation increases to a number of services including Trade Waste, Clinical Trade waste, & Household domestic and green waste collection, as well as new charging regime for special collections. Careful consideration has been given to these proposals in terms of equality and diversity issues in order to identify and analyse what, if any, potential impact the proposals may have on any residents and users of the services within the protected groups.

EIA risk assessments for proposals to introduce above inflation fees and charges increase to trade clinical waste and trade waste collections concluded that a full equalities impact assessment would not be required. These are services provided primarily to private businesses in a commercially competitive environment and equalities impact is anticipated for any of the protected characteristics.

An equalities impact assessment also considered the potential impacts of the above inflation charges for fete bin services, special collections and household domestic and green waste bins.

Overall, it is not envisaged that the service change will have an adverse impact nor discriminate specifically against any of the equalities groups. The refuse collection service is delivered universally to all households within the borough. It is anticipated that the changes will in fact affect all the identified groups equally.

However the assessment also recognised that whilst overall the proposed changes may have an equal and manageable effect on all the service users/customer groups considered, the impact on specific individuals and households may be higher depending on the income levels of different parts of the borough. Due to the implicit nature of these proposals it is likely the impact on residents who live in areas of greater deprivation within the borough and with lower incomes could be higher than for those who live in other parts of the borough and have greater wealth.

However, this is mitigated by the fact that for most the purchase of a domestic waste Wheeled Bin will be a 'one off' at the point of moving in purchase and so unlikely to affect the vast majority of existing households. New arrivals into the borough or relocating households are more likely to be impacted where there isn't already an existing bin present on location.

Furthermore, the free door to door household recycling service is an encouraged alternative to household residual waste levels that might otherwise require additional and chargeable domestic waste wheeled bins. Recycling boxes are free. The council's free drop in Civic amenity and recycling centre provides an alternative for the chargeable special collections service. There are also other organisations whose services are accessible by residents not willing or able to use the Special Collections service such as Recycle for Free and Barnet Furniture Centre.

## Conclusion

EPR is satisfied that due consideration has been given to the equalities impact assessment of the 2013/14 budget decisions including the proposed fees and charges schedule. Care has been taken to ensure that the focus of efficiencies, service reductions and savings are in areas within minimal or no impact to these groups. For instance, above inflation fees and charges increase to reflect increasing disposal and fuel costs have been restricted mainly to commercial trade services. The cost of clinical waste disposal for residents who are typically vulnerable or disabled has been kept free whilst the trade or commercial service fees have increased to reflect costs. Similarly, trade waste collection rates have gone up to reflect costs whilst still remaining competitively priced within the market. The impact of fee increases in services to residents such as special collections and additional domestic waste bins are mitigated by the availability of viable options such as the free drop in civic amenity and recycling centre.

## Children's Service Equality Impact Assessment (EIA)

|  |                                       |
|--|---------------------------------------|
| <b>1. Details of function, policy, procedure or service:</b>   |                                       |
| Title of what is being assessed: Reducing funding for Youth Support Services and Sports Development  |                                       |
| Is it a function, policy, procedure or service?: Service   |                                       |
| Department and Section: Youth Support Services   |                                       |
| Date assessment completed: January 2013  |                                       |
| <b>2. Names and roles of officers completing this assessment:</b>  |                                       |
| Lead officer   | Flo Armstrong (Youth Support Service) |
| Stakeholder groups   |                                       |
| Representative from internal stakeholders  | Jane Graham                           |
| HR rep (for employment related issues)   | Dealt with as part of separate EIA    |
| <b>3. Full description of function, policy, procedure or service:</b>  |                                       |
| <p><b>Why is it needed?</b></p> <p>Over the next 3 years the Council is proposing savings of around £55 million, so all service areas need to make budget reductions. Over the past two years the Children's Service has reduced budgets by £7.4m across a range of areas. £2.1m of these savings related to reshaping and reducing youth services, including a reduction in the funding available for arts, play and sports. For 2013/14 the Children's Service needs to find further savings of £4.493m, of which £500,000 are proposed for Youth Services and £90,000 for Sports Development. The financial plan for 2013/14 agreed in February 2012, included £958,000 of savings for youth services. However, having examined these savings against our priorities and in light of the riots in summer 2011, a smaller reduction of £500,000 is now proposed, with savings found through efficiencies in other areas instead.</p> <p><b>What are the outcomes to be achieved? What are the aims and objectives?</b></p> <p>Over the past two years, there has been a reshaping and reduction of youth support services through integrating Youth Services, education welfare services for older young people, play services, sports development services, young people's participation and the youth offending service. This multi agency support model directs the available resources at vulnerable young people. This model aims to reduce high risk behaviour and to reduce the number of vulnerable young people not in employment, education or training. The current proposals build on the service redesign and developments that have been undertaken over the last two years. A charging policy for positive activities was implemented in October 2012. As a trial to assess impact on take-up the charges were set at a fixed rate in the first instance. The result was positive and all courses were attended as in previous years. Information is now going to be issued regarding February activities with scaled charges according to individual needs allowing the most vulnerable to continue to access the provision at no cost.</p> <p>As resources reduce, the Children's Service is increasingly targeting services to help support the most vulnerable. The Children's Service has also been reconfiguring services to intervene earlier to support children and families to reduce the number experiencing the most complex problems.</p> <p>For 2013/14 there are 4 main proposals for youth services, these proposals aim to achieve total savings of £500,000:</p> <ul style="list-style-type: none"> <li>• Achieve better value for money across contracts, especially in youth homelessness provision. A reduction in mediation support for homeless young people is also proposed. To help reduce the</li> </ul> |                                       |

impact of no dedicated mediation for young people, targeted youth workers would deliver support for homeless young people.

- Refocus and reduce back office and youth worker staff supporting targeted youth services, while continuing to guarantee provision of statutory duties. These duties include securing sufficient leisure-time educational and recreational activities for young people, and helping young people to participate in education and training. We would further target remaining resources and reshape our services to help ensure that the Council continues to support those that need it most and increase formal accreditation in activities and programmes for young people.
- Reduce resources to publicise and support delivery of positive activities (for example special interest clubs, arts and cultural activities, and sports activities). We would continue to work closely with partners to make the best use of remaining resources. This would include increasing formal accreditation across activities.
- Schools now have responsibility and funding for careers information, advice and guidance. It is proposed to reduce Council support in line with this. However, there is some demand from schools to purchase careers support from the Council, which would generate income and would reduce the budget saving. There are also opportunities to generate income from play activities in schools.

This proposal aims to achieve total savings of £90,000 for Sports development:

- Reduce support for sports development and continue to promote sports development without additional investment. To help reduce the impact of this, sports development would be carried out as part of positive activities work. We would also continue to work with partners, including health, schools and the voluntary sector, to encourage greater use of leisure facilities across the borough, especially through the sport and physical activity review.

Within the reduced budget we would continue to prioritise support for the voluntary sector and local communities to build capacity, and to prioritise support for vulnerable young people.

#### **Who is it aimed at?**

Youth support services target resources towards vulnerable young people, for example those at risk of not being in education, employment or training (NEET) or those at risk of poor sexual health or teenage pregnancy. These services include arts, play and sports opportunities, which are available at a number of venues, and participation work to engage young people in decision-making. Sports development work targets many of the same young people and therefore there is overlap in the impact of youth support service and sports development proposals.

#### **Who is likely to benefit?**

The proposal involves continuing to target resources for vulnerable young people, increasing partnership work with the voluntary sector and providing support including training and advice. This would be available through Council provided training programmes and through Youth Support Service Practitioners Group meetings.

#### **How have needs based on race, gender, disability, age, religion/belief, sexual orientation or carers been taken account of?**

Consultation has been carried out via a number of methods, enabling stakeholders, including parents/carers, to give feedback and put the proposals into context against their needs. Stakeholders were encouraged to respond via a dedicated email address, post, online questionnaire, and at consultation events.

A consultation on Barnet's budget proposals for 2013-14 was undertaken between 31 October and 31

January 2013. A total of 41 people responded to all or one of the questions related to the Children's Service budget consultation. Of those who gave their personal details via the online questionnaire (excludes those who did not answer the question):

- 12 were female, 4 were male
- Of the people who identified themselves as female, 1 was pregnant
- Of the people who identified themselves as female, 1 was on maternity leave
- 1 was aged 15-18 years, 4 were aged 25-34, 3 were aged 35-44, 6 were aged 45-54, 1 was aged 75+
- 12 stated their ethnicity as White British, 1 White Other, number, 1 Black or Black British - African, and 1 Asian or Asian British – Indian
- 1 person stated their religion to be Agnostic, 1 Atheist, 3 Christian, 4 Hindu, 4 Jewish, and 2 No Religion
- 3 people stated they had a disability under the DDA
- 1 person stated their sexuality to be Bisexual and 12 Heterosexual

A wide range of young people were consulted on the youth offer proposals including via consultation meetings and an online questionnaire specifically for young people. A total of 60 young people responded to all or one of the questions related to the young person specific Children's Service budget consultation. Of those who gave their personal details via the online questionnaire (excludes those who did not answer the question):

- 12 young people were female, 2 were male
- 3 young people were aged 12-14 years, 3 aged 14-16, 3 aged 16-18, and 3 aged 18-24
- 6 young people stated their ethnicity as White British, 2 were White Other number, 2 were of Other Ethnicity, 1 Asian or Asian British – Other, 1 Mixed - White and Asian, 1 Other – Chinese, and 1 White - Greek/Greek Cypriot
- 2 young people stated their religion to be agnostic, 5 Christian, 1 Atheist, 1 Humanist, 1 No Religion and 1 Other Faith
- No one stated they had a disability under the DDA
- 1 young person stated their sexuality to be Bisexual, 7 Heterosexual, 2 Lesbian

**Identify the ways people can find out about and benefit from the proposals. Consider any processes they need to go through or criteria that we apply to determine eligibility.**

As indicated above, stakeholders were consulted via a range of methods with the option of responding verbally, by post, by email or online. Under these proposals, youth support services will be targeted at those most in need of support, with vulnerable groups likely to include those with disabilities, those at risk of becoming NEET, and young offenders.

The [Profile of Children and Young People in Barnet](#) contains some of the data used to evidence the potential effects on different equalities strands.

**4. How are the equality strands affected? Please detail the effects on each equality strand, and any mitigating action you have taken so far**

| Equality Strand | Affected?                           | Explain how affected   | What action has been taken already to mitigate this?  |
|-----------------|-------------------------------------|--|---|
| Race            | Yes X / No <input type="checkbox"/> | Reduced activities could affect vulnerable groups such as excluded young people and young offenders. Children and young people with African and Caribbean backgrounds are overrepresented in | Any developments to the activities charging policy implemented during 2012/13 will follow a clear and robust process to ensure free/reduced activities continue for vulnerable young people including |

Children's Service - Equality Impact Assessment

|            |                                     |   |  |
|------------|-------------------------------------|---|--|
|            |                                     | <p>exclusions (Exclusions: 40.5% of permanent exclusions in 2011/12 compared with 16.9% of school population).</p> <p>Black Caribbean young people are overrepresented among mediation service users (15.5% of service users compared with 1.3% of Barnet's 15 to 19 population – April to December 2012 user data)</p>   | <p>those groups identified here</p> <p>Young refugees and asylum seekers will continue to be prioritised by Targeted Youth Workers.</p> <p>A dedicated targeted youth worker would work closely with the housing team and Barnet Homes to support homeless young people and those at risk of homelessness. To help further strengthen this, the Council is working closely with Barnet Homes to explore the possibility of securing funding from other sources for mediation work.</p> |
| Gender     | Yes X / No <input type="checkbox"/> | <p>Males are more likely to be first time offenders (22 male to 7 females age 15. 38 male to 2 females age 16. 27 male to 4 females age 17 in 2011/12) so deletion of the Youth Offending Team Education To Employment Co-ordinator is more likely to disproportionately affect them.</p> <p>Positive activities data suggests that activities are accessed by marginally more males than females (1472 (55%) males compared to 1185 (45%) females during 2011 – 12)</p> <p>Sports data shows that more males than females accessed sport activities (343 (54.5%) males to 288 (45.5%) females during 2011 - 12)</p> <p>Males and females equally use the homelessness mediation service (50 females and 53 males between April and December 2012).</p> | <p>Targeted Youth Workers will continue to support male and female young offenders, including around their progression into education, employment or training.</p> <p>The positive activities and sports activities programmes will continue to ensure that activity programmes are implemented to attract both males and females</p>  |
| Disability | Yes / No X                          | <p>Summer positive activities statistics showed that of 1014 participants, 23 had a Learning Disability/Difficulty.</p>   |  |

Children's Service - Equality Impact Assessment

|                     |                                     |   |   |
|---------------------|-------------------------------------|---|---|
|                     |                                     | <p>However this figure is considered to be higher as not all young people with a disability will have disclosed this information when applying for the activities.</p> <p>There are no proposals to reduce activities specifically targeted at young people with disabilities and it is not anticipated that they would be disproportionately impacted.</p> |   |
| Age                 | Yes X / No <input type="checkbox"/> | <p>Young people are likely to be disproportionately impacted by the proposals in relation to youth and sports activities and homelessness mediation support as services are targeted to them.</p>   | <p>We will ensure that there is a balance of activities for those of different age groups when allocating funding for youth, play and sports activities.</p> <p>A dedicated targeted youth worker would work closely with the housing team and Barnet Homes to support homeless young people and those at risk of homelessness. To help further strengthen this, the Council is working closely with Barnet Homes to explore the possibility of securing funding from other sources for mediation work.</p> |
| Sexual Orientation  | Yes <input type="checkbox"/> / No X |   | <p>Funding available for youth and sports activities will be targeted for vulnerable groups including LGBT groups</p>   |
| Gender reassignment | Yes <input type="checkbox"/> / No X |   | <p>Funding available for youth and sports activities will be targeted for vulnerable groups including those vulnerable due to gender reassignment</p>   |
| Religion or belief  | Yes / No X                          | <p>A reduction in funding for activities could have an impact across the board on universal activities delivered by community faith groups. It is not anticipated that any impact would be disproportionate in terms of religion or belief.</p>   | <p>We will ensure that the needs of all service users, including those of different faiths, are taken into account when allocating funding. This will include considering whether services targeted geographically could impact disproportionately on those of a certain religion.</p>  |



Children's Service - Equality Impact Assessment

|  |  |  |   |
|--|--|--|---|
| <p>Pregnancy and maternity (teenage parents)</p> | <p>Yes X / No <input type="checkbox"/></p> | <p>General teenage pregnancy and sexual health advice is now delivered by Targeted Youth Workers. A reduction in Targeted Youth Workers could have a negative impact on teenage parents and those requiring sexual health advice.</p>  | <p>Partnership work will continue with the Family Nurse Partnership for young first time mothers to provide support to teenage parents around a range of issues, which will include access to youth activities and other support services available.</p> <p>Any developments to the activities charging policy implemented during 2012/13 will follow a clear and robust process to ensure free/reduced activities continue for vulnerable young people including teenage parents</p> |
| <p>Marital status</p>                            | <p>Yes <input type="checkbox"/> / No X</p> | <p>The marital status of young people or their parents is not part of the criteria for access to youth services.</p> <p>However, children of lone parents could be considered a priority group for targeted youth services if, for example, they have a significantly lower household income</p> |   |
| <p>Those on low incomes</p>                      | <p>Yes X / No <input type="checkbox"/></p> | <p>Continuing to charge for activities and developing this model could have a potential negative impact on those on low income.</p>  | <p>Any developments to the activities charging policy implemented during 2012/13 will follow a clear and robust process to ensure free/reduced activities continue for vulnerable including those on low incomes</p>  |
| <p>Young offenders</p>                           | <p>Yes X / No <input type="checkbox"/></p> | <p>Deletion of the Youth Offending Team Education To Employment Co-ordinator could have a negative impact on young offenders.</p>  | <p>Targeted Youth Workers will continue to support Young Offenders, including around their progression into education, employment or training.</p>  |
| <p>NEETs</p>                                     | <p>Yes X / No <input type="checkbox"/></p> | <p>Reducing Targeted Youth Worker capacity by 3 posts could have a negative impact on the number of young people in education, employment and training.</p>  | <p>The remaining 15 Targeted Youth Workers will engage NEET young people and work with them to get them back into education, employment or training. This should be strengthened by</p>   |

Children's Service - Equality Impact Assessment

|  |  |  |  |
|--|--|--|--|
|  |  |  | the Platforms programme for young people aged 16 to 24, which specifically targets and supports NEET young people. |
|--|--|--|--|

**5. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents**

The positive activities funding has historically been used for holiday schemes and activities which are viewed positively. The proposed reductions to positive activities funding could result in fewer activities available for holiday schemes and activities, which could result in reduced satisfaction ratings.

Reductions to Sports Development resources would result in less resource to develop and promote sports provision with partners/schools. This could also result in reduced satisfaction ratings. The Children's Service will work closely with colleagues in public health and through the review of sport and physical activity to make best use of the resources available across the partnership and identify opportunities to encourage external funding into the borough in support of sports and obesity reduction activities.

In the Residents Perception Survey 2012 17% of respondents said that 'not enough being done for young people' was one of their top three concerns. This has increased slightly from 16% in 2011. The satisfaction of residents in relation to activities for teenagers and young people has stayed the same, in the 2012 Residents Perception Survey as in 2011 survey, with 13% rating it excellent or good. The satisfaction rating in relation to activities for teenagers and young people (2012 survey) is higher for users of these services, at 39%. More detailed analysis of the Residents Perception Survey 2012 is currently underway which will enable us to further review the impact of the changes implemented over the past two years.

**6. How does the proposal enhance Barnet's reputation as a good place to work and live?**

Remaining resources will continue to be targeted at those most in need of support, which demonstrates that Barnet is looking after its most vulnerable. Close working with the voluntary sector and community groups to ensure a range of activities, support and advice for children and young people may result in more opportunities for Barnet residents to volunteer and become involved with their local community, which could help to enhance Barnet's reputation as a good place to live.

A reduction in mediation support for homeless young people is unlikely to enhance Barnet's reputation. However, a dedicated targeted youth worker would work closely with the housing team and the Council is working closely with Barnet Homes to explore the possibility of securing funding from other sources for mediation work.

**7. How will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?**

Clear communication, consultation and engagement is taking place with young people and other stakeholders including the voluntary sector, community groups, police and schools to help ensure the views of Barnet's diverse communities are taken into account. Councillors will fully consider and give due regard to the responses to consultation, and to this Equalities Impact Assessment, as part of a clear and transparent decision-making process to try and ensure that all citizens feel confident about the manner in which the council is conducting its business.

Resources available to develop partnership work will now be embedded throughout the service and lead responsibility will be taken by Head of Youth & Community. The proposal includes continuing to increase partnership work with the voluntary sector to ensure there is support to voluntary sector organisations including loan of equipment. The equipment will enable the voluntary/community sector to deliver activities and programmes, helping to ensure activities are delivered in a cost-effective way. This will enable local community and voluntary groups to support the big society agenda and may help to make Barnet's diverse communities feel more confident about the way the council conducts its business.

**8. What measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of any unintended or adverse impact? *Include information about the groups of people affected by this proposal. Include how frequently will the monitoring be conducted and who will be made aware of the***

*analysis and outcomes? Include these measures in the Equality Improvement Plan (section 13)*

A central monitoring function will be retained to identify young people at risk and any inequalities in opportunities or outcomes that need to be addressed. For example, we will continue to monitor the number of young people who are not in education, employment or training (NEET) and analyse it for differentials including gender, race, and learning disability. National indicators such as care leavers in education, employment or training will continue to be monitored so any decline in performance can be acted on.

Data will continue to be collected by projects funded using positive activities monies and analysed for equalities differentials. These findings will be used to inform future planning.

**9. How will the new proposals enable the council to promote good relations between different communities?** *Include whether proposals bring different groups of people together, does the proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.*

Developing the charging model implemented during 2012/13 could lead to dissatisfaction between those with and without free access to certain activities. We will continue to ensure that the charges are applied clearly to ensure that there is no confusion for young people, their parents and carers. Scaled charges will be implemented for February half term activities and there will be a clear communication to parents/carers outlining any changes to charging.

During consultation on last year's budget proposal young people indicated that they particularly value activities that bring together young people from a range of different backgrounds including young people who support might be targeted towards and those who it wouldn't necessarily be. Charging for some activities could help to support this.

The youth support service will be actively seeking additional resources through joint bidding with voluntary and community sector groups, Barnet Homes and with other partners where possible. Any additional resources secured would help to increase provision and could help to promote good relations between different communities.

**10. How have residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal?** *Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community.*

Statutory consultation has been undertaken in the form of an online survey as well as pre-consultation around the proposals with the Barnet Youth Board and at the Youth Support Service Practitioners' group meeting which included representatives from a range of partner organisations.

The Head of Youth and Community has met with stakeholders including Cypnet (which includes a number of community groups including groups who support young people with disabilities), parents/carers groups pp4dan.

Barnet Youth Board and UK Youth Parliament have created a youth friendly version of the Budget Proposals consultation and are working to ensure young people in Barnet understand proposed changes and comment as necessary. The team have created a film called Barnet Young Voices Project to capture young people's views on a range of issues in Barnet. They met with Councillor Andrew Harper to discuss each proposal and the impact on young people and services for young people in Barnet. Although they understood pressures placed on local councils they expressed some concerns and wanted to ensure that cuts did not compromise the quality of services. Specific concern was expressed for young people who are vulnerable, particularly young people who are homeless or at risk of being homeless. They felt that schools had numerous responsibilities and that some might find it difficult to offer all careers and advice provision and called for stronger links between agencies like the job centre and schools. The team felt that young people should continue to play a part in designing materials and promoting council services aimed at young people to help raise awareness of what is on offer and ensure continued participation from a wide range of groups. To support the consultation process and raise awareness of young people's participation in decision making, some members will run focus groups in their schools around proposals and feed that back to the board and wider consultation process. The formal youth friendly consultation for young people has been circulated to schools and community groups.

A charging policy for positive activities was implemented in October 2012. As a trial to assess impact on take-up the charges were set at a fixed rate in the first instance. The result was positive and all courses were attended as in previous years. Information is now going to be issued regarding February activities with scaled charges according to individual needs allowing the most vulnerable to continue to access the provision at no cost.

Formal consultation has been carried out via a number of methods to enable stakeholders to give feedback and put the proposals into context against their needs. A consultation paper including the proposal was emailed to key stakeholders, an online questionnaire is being conducted, and a dedicated email address has been set up.

**11. Decision:**

| No Impact                | Positive Impact          | Neutral Impact           | Negative Impact                     |
|--------------------------|--------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**12. Comment on decision**

It is anticipated that there could be a negative equalities impact from the proposals consulted on regarding the reduction in funding for the youth support service and sports development. The £458,000 reduction in the original saving proposed has reduced the likely impact, but there could be a particular impact on young people in the areas of race, gender, age, and pregnancy and maternity. Young offenders and homeless young people are also groups more likely to be negatively impacted by the proposals. The extent of the impact will depend on the success of mitigating actions. The equality improvement plan below outlines the actions that will be undertaken to mitigate the impact.

### 13. Equality Improvement Plan

Please list all the equality objectives, actions and targets that result from the Equality Impact Assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

| Equality Objective  | Action  | Target  | Officer responsible        | By when                 |
|---|---|---|----------------------------|-------------------------|
| Ensure remaining resources continue to be targeted at those most in need of support   | Targeted Youth Worker to focus on vulnerable groups including work with homeless young people   | To evidence a positive outcome for vulnerable young people                                | Flo Armstrong              | April 2013 and Ongoing  |
| Ensure ongoing clear communication with stakeholders, including hard to reach groups.   | Head of Service to communicate with stakeholders via the Practitioners group  | 4 Practitioners meetings to be held April 2013 – March 2014                               | Flo Armstrong              | 7 February and ongoing  |
| Continue to monitor and analyse performance indicators so any issues can be addressed.  | Monitor and analyse performance figures at monthly SMT meetings   | To be monitored at 6 SMT meetings from April 2013 – March 2014                            | Flo Armstrong & Managers   | 14 February and ongoing |
| Engage with voluntary sector, community groups and private sector to help ensure that there are a range of positive activities for young people throughout the borough. | Participant statistics for Positive Activities programmes to be used to inform future needs for programmes  | Information shared with strategic partners at Positive Activities Steering Group meetings | Flo Armstrong/Karen Ali    | March 2013 and Ongoing  |
| Further develop links with community groups to help ensure effective signposting and access to information and advice.  | Ensure Practitioners Group list is updated regularly so that Voluntary sector, community groups and private sector are kept informed of meetings and communications | Review the list following each meeting  | Flo Armstrong/Zainab Bundu | 7 February and ongoing  |

|   |  |
|---|--|
| <b>1<sup>st</sup> Authorised signature (Lead Officer)</b> | <b>2<sup>nd</sup> Authorised Signature (Member of SLT)</b> |
| <b>Date:</b>  | <b>Date:</b>   |

## Children's Service Equality Impact Assessment (EIA)

|   |                                    |
|---|------------------------------------|
| <b>1. Details of function, policy, procedure or service:</b>  |                                    |
| Title of what is being assessed: Retendering the contract for young people's substance misuse to provide better value for money   |                                    |
| Is it a function, policy, procedure or service?: Service  |                                    |
| Department and Section: Children's Service, Substance misuse  |                                    |
| Date assessment completed: January 2013   |                                    |
| <b>2. Names and roles of officers completing this assessment:</b>   |                                    |
| Lead officer  | Karina Umeh (Commissioning)        |
| Stakeholder groups  |                                    |
| Representative from internal stakeholders   |                                    |
| HR rep (for employment related issues)  | Dealt with as part of separate EIA |
| <b>3. Full description of function, policy, procedure or service:</b>   |                                    |
| <p><b>Why is it needed?</b></p> <p>Over the next 3 years the Council is proposing savings of around £55 million, so all service areas need to make budget reductions. Over the past two years the Children's Service has reduced budgets by £7.4m across a range of areas. £2.1m of these savings related to reshaping and reducing youth services, including a reduction in the funding available for arts, play and sports. For 2013/14 the Children's Service needs to find further savings of £4.493m, of which £84,000 are proposed for substance misuse services.</p>   |                                    |
| <p><b>What are the outcomes to be achieved? What are the aims and objectives?</b></p> <p>Substance misuse services assist us to prevent and minimise the risk of harm of substance misuse to young people, their families and communities. Given the significant budget savings that have to be found across the council, savings in this area are proposed. The financial plan for 2013/14 agreed in February 2012, included £150,000 of savings for substance misuse. However, in line with our priorities, a smaller reduction of £84,000 is now proposed, with savings found through efficiencies in other areas instead.</p> <p>Nationally, the funding for substance misuse services has sat with health services and youth justice functions. In Barnet the children's service has made a contribution to augment these monies, and it is this which it is proposed to reduce. From April 2013 the funding for providing substance misuse services sits with public health and the Mayor's Office for Policing and Crime (MOPAC). If funding from these sources is not confirmed then the impact of the proposed reduction in children's service funding would be increased.</p> |                                    |
| <p><b>Proposal 3:</b> Retender contract for young people's substance misuse services to provide better value for money and reduce commissioned services for supporting and preventing substance misuse. We would seek to mitigate the impact of this through more integration with our family focus team and the family support workers within our early intervention and prevention service.</p>   |                                    |
| Proposed saving: £84,000  |                                    |
| <p><b>Who is it aimed at?</b></p> <p>Substance Misuse services target resources towards young people under 18 directly affected by</p>  |                                    |

substance misuse and parents whose children misuse substances.

**Who is likely to benefit?**

The proposal involves continuing to target resources for vulnerable young people, whilst providing better value for money and reducing commissioned services for supporting and preventing substance misuse.

**How have needs based on race, gender, disability, age, religion/belief, sexual orientation or carers been taken account of?**

Consultation has been carried out via a number of methods, enabling stakeholders, including parents/carers, to give feedback and put the proposals into context against their needs. Stakeholders were encouraged to respond via a dedicated email address, post, online questionnaire, and at consultation events.

**Identify the ways people can find out about and benefit from the proposals. Consider any processes they need to go through or criteria that we apply to determine eligibility.**

Substance misuse services will continue to be targeted at those most in need of support.

The [Profile of Children and Young People in Barnet](#) contains some of the data used to evidence the potential effects on different equalities strands.

A consultation on Barnet's budget proposals for 2013-14 was undertaken between 31 October and 31 January 2013. A total of 41 people responded to all or one of the questions related to the Children's Service budget consultation. Of those who gave their personal details via the online questionnaire (excludes those who did not answer the question):

- 12 were female, 4 were male
- Of the people who identified themselves as female, 1 was pregnant
- Of the people who identified themselves as female, 1 was on maternity leave
- 1 was aged 15-18 years, 4 were aged 25-34, 3 were aged 35-44, 6 were aged 45-54, 1 was aged 75+
- 12 stated their ethnicity as White British, 1 White Other, number, 1 Black or Black British - African, and 1 Asian or Asian British – Indian
- 1 person stated their religion to be Agnostic, 1 Atheist, 3 Christian, 4 Hindu, 4 Jewish, and 2 No Religion
- 3 people stated they had a disability under the DDA
- 1 person stated their sexuality to be Bisexual and 12 Heterosexual

A wide range of young people were the youth offer proposals including via consultation meetings and an online questionnaire specifically for young people. A total of 60 young people responded to all or one of the questions related to the young person specific Children's Service budget consultation. Of those who gave their personal details via the online questionnaire (excludes those who did not answer the question):

- 12 young people were female, 2 were male
- 3 young people were aged 12-14 years, 3 aged 14-16, 3 aged 16-18, and 3 aged 18-24
- 6 young people stated their ethnicity as White British, 2 were White Other number, 2 were of Other Ethnicity, 1 Asian or Asian British – Other, 1 Mixed - White and Asian, 1 Other – Chinese, and 1 White - Greek/Greek Cypriot
- 2 young people stated their religion to be agnostic, 5 Christian, 1 Atheist, 1 Humanist, 1 No Religion and 1 Other Faith
- No one stated they had a disability under the DDA
- 1 young person stated their sexuality to be Bisexual, 7 Heterosexual, 2 Lesbian



| <b>4. How are the equality strands affected? Please detail the effects on each equality strand, and any mitigating action you have taken so far</b> |   |   |  |
|---|---|---|--|
| <b>Equality Strand</b>  | <b>Affected?</b>  | <b>Explain how affected</b>   | <b>What action has been taken already to mitigate this?</b>  |
| Race  | Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/> | Black and Black other ethnic groups are over represented with the substance misuse service (21%) when compared with the overall youth population of 14% | We will ensure that there is clear signposting to national and any remaining London resources by the family support workers and others, including through community groups. Subject to confirmation of public health and MOPAC funding a small substance misuse service for young people in Barnet is likely to remain.        |
| Gender  | Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/> | Males are overrepresented as users of Barnet's universal/targeted substance misuse services.  | We will ensure that there is clear signposting to national and any remaining London resources by the family support workers and others for both male and female young people. Subject to confirmation of public health and MOPAC funding a small substance misuse service for young people in Barnet is likely to remain.      |
| Disability  | Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> | There is no evidence that the proposal will disproportionately affect young people with disabilities.   | Remaining resources and signposting would be designed to support young people, including those with disabilities.  |
| Age   | Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/> | Teenagers, especially those over 14 are more likely to be services users so could be disproportionately affected.                                       | We will ensure that there is clear signposting to national and any remaining London resources by the family support workers and others, teenagers are likely to be a target group. Subject to confirmation of public health and MOPAC funding a small substance misuse service for young people in Barnet is likely to remain. |
| Sexual Orientation  | Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> | There is no evidence that changes to the service will disproportionately affect young people of different sexual orientations.                          |  |
| Gender  | Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> | There is no evidence that changes to the service will   |  |

Children's Service - Equality Impact Assessment

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|---|---|---|--|
| reassignment                              |   | disproportionately affect young people who have undergone gender reassignment.  |  |
| Religion or belief                        | Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> | There is no evidence that changes to the service will disproportionately affect young people of different religious beliefs.  |  |
| Pregnancy and maternity (teenage parents) | Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> | There is no evidence that changes to the service will disproportionately affect teenage parents.  |  |
| Marital status                            | Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> | The marital status of young people or their parents is not part of the criteria for access to substance misuse services.  | We will ensure that there is clear signposting to national and any remaining London resources by the family support workers and others, children in care and care leavers are likely to be a target group. Subject to confirmation of public health and MOPAC funding a small substance misuse service for young people in Barnet is likely to remain. |
| Those on low incomes                      | Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> | Although deprivation may be a risk factor in substance misuse it cannot be evidenced that those in more deprived areas are more likely to require support around substance misuse |  |
| Children in care/care leavers             | Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/> | Children in care and leaving care are more likely to have experienced difficult backgrounds and may therefore be more likely to require support around substance misuse.          | We will ensure that there is clear signposting to national and any remaining London resources, children in care and care leavers are likely to be a target group. Subject to confirmation of public health and MOPAC funding a small substance misuse service for young people in Barnet is likely to remain.  |
| Young offenders                           | Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/> | Young offenders are overrepresented as users of Barnet's universal/targeted and specialist services so are more likely to be disproportionately affected.                         | We will ensure that there is clear signposting to national and any remaining London resources by the proposed family support workers and others, young offenders are likely to be a target group. It is possible that a small  |

Children's Service - Equality Impact Assessment

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|  |  |  | substance misuse service for young people in Barnet may remain, but this is dependent on public health and MOPAC funding. |
|--|--|--|---|

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|--|
| <p><b>5. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents</b></p>  |
| <p>In the Residents Perception Survey 2012 residents' concerns in relation to people being drunk in public places has remained the same at 19% compared to the 2011 survey. However, residents' concerns in relation to people using or dealing drugs have increased from 20% in the 2011 survey to 23% in the 2012 survey. More detailed analysis of the Residents Perception Survey 2012 is currently underway which will enable us to further review the impact of the changes implemented over the past two years.</p> <p>To help reduce the impact of this proposal on satisfaction ratings we will increase integration with our family focus team and the family support workers within our early intervention and prevention service. However, it is not anticipated that the reduction will impact positively on the satisfaction of residents.</p> <p>Work is being undertaken with public health colleagues to secure funding for an ongoing service and a funding bid will also be submitted for MOPAC monies.</p> |
| <p><b>6. How does the proposal enhance Barnet's reputation as a good place to work and live?</b></p>   |
| <p>There is no evidence to suggest that the proposal will enhance Barnet's reputation as a good place to work and live. Going forward the funding for providing substance misuse services sits with public health and MOPAC. If funding from these sources is not confirmed then the impact of the proposed reduction in children's service funding for these services would be increased.</p> <p>To help reduce the impact of this proposal we will increase integration with our family focus team and the family support workers within our early intervention and prevention service.</p>  |
| <p><b>7. How will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?</b></p>  |
| <p>Clear communication, consultation and engagement is taking place with young people and other stakeholders including the voluntary sector, community groups, police and schools to help ensure the views of Barnet's diverse communities are taken into account. Councillors will fully consider and give due regard to the responses to consultation, and to this Equalities Impact Assessment, as part of a clear and transparent decision-making process to try and ensure that all citizens feel confident about the manner in which the council is conducting its business.</p> <p>It is anticipated that more integration with our family focus team and the family support workers within our early intervention and prevention service, especially in terms of signposting to relevant services, will help to support families where young people have substance misuse issues, which may partially mitigate the impact of the proposal.</p>   |
| <p><b>8. What measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of any unintended or adverse impact? <i>Include information about the groups of people affected by this proposal. Include how frequently will the monitoring be conducted and who will be made aware of the analysis and outcomes? Include these measures in the Equality Improvement Plan (section 13)</i></b></p>   |
| <p>We will continue to monitor this to identify any impacts of the proposal. A range of performance indicators will be measured as part of the early intervention and prevention project to monitor its effectiveness, including in addressing issues of substance misuse. Performance will be reported to the senior leadership team on at least a quarterly basis.</p> <p>The National Treatment Agency as part of Public Health will continue to provide the borough with quarterly updates on borough performance we will be able to use this to help assess the remaining service against user needs.</p>   |
| <p><b>9. How will the new proposals enable the council to promote good relations between different communities? <i>Include whether proposals bring different groups of people together, does the</i></b></p>   |

*proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.*

It is not anticipated that the proposal will help the council to actively promote relations between different communities. Any changes will be communicated to help ensure that different parts of the community understand the reduction in resources for commissioned substance misuse services and the support available as part of the integrated family focus model.

**10. How have residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal? Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community.**

Pre-consultation around the proposals took place with the Barnet Youth Board and at the Youth Support Service Practitioners' group meeting which included representatives from a range of partner organisations.

Barnet Youth Board and UK Youth Parliament have created a youth friendly version of the Budget Proposals consultation and are working to ensure young people in Barnet understand proposed changes and comment as necessary. The team have created a film called Barnet Young Voices Project to capture young people's views on a range of issues in Barnet. They met with Councillor Andrew Harper to discuss each proposal and the impact on young people and services for young people in Barnet. Although they understood pressures placed on local councils they expressed some concerns and wanted to ensure that cuts did not compromise the quality of services. To support the consultation process and raise awareness of young people's participation in decision making, some members will run focus groups in their schools around proposals and feed that back to the board and wider consultation process. The formal youth friendly consultation for young people has been circulated to schools and community groups.

Formal consultation has been carried out via a number of methods to enable stakeholders to give feedback and put the proposals into context against their needs. A consultation paper including the proposal was emailed to key stakeholders, an online questionnaire is being conducted, and a dedicated email address has been set up.

**11. Decision:**

| No Impact                | Positive Impact          | Neutral Impact           | Negative Impact or Impact Not Known <sup>1</sup> |
|--------------------------|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/>              |

**12. Comment on decision**

It is anticipated that the proposal could result in a negative equalities impact on young people in Barnet, especially those in vulnerable groups, such as males; young offenders, young black British and other ethnic groups, who may be more likely to require support around substance misuse. Family support workers support families where young people have substance misuse issues, which, along with signposting to any London-wide resources, should help to partially mitigate the impact of the proposal. It is possible that a small substance misuse service for young people in Barnet may remain, but this is dependent on public health and MOPAC funding which is currently unknown.

<sup>1</sup> 'Impact Not Known' – tick this box if there is no up-to-date data or information to show the effects or outcomes of the function, policy, procedure or service on all of the equality strands.

### 13. Equality Improvement Plan

Please list all the equality objectives, actions and targets that result from the Equality Impact Assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

| Equality Objective   | Action   | Target  | Officer responsible   | By when       |
|--|--|---|---|---------------|
| Ensure vulnerable young people still have access to substance misuse services. | Ensure there is clear signposting to national and remaining resources by the family focus and family support workers and other practitioners.  | The most vulnerable young people are appropriately signposted to remaining services in Barnet or London.  | Head of Early Intervention and Prevention and Head of Youth and Community | Ongoing       |
|  | Work with schools to ensure that preventative messages and signposting takes place, including in PSHE lessons.   | Raised awareness among young people, including of where to access support.  | Public Health lead and Head of Early Intervention and Prevention          | Ongoing       |
| Any negative equalities impacts of this proposal are identified.               | Continue to monitor performance indicators to track effectiveness of early intervention and prevention in addressing substance misuse and effectiveness of remaining substance misuse service. | Any negative impacts are identified and appropriate action taken to help address.   | Head of Early Intervention and Prevention                                 | Quarterly     |
| Foster good relationships and understanding between communities.               | Clearly communicate any changes to current service users and Barnet residents.   | Different parts of the community understand the reduction in resources for commissioned substance misuse services and the support available as part of the integrated family focus model. | Commissioner  | 31 March 2013 |

|   |  |
|---|--|
| <b>1<sup>st</sup> Authorised signature (Lead Officer)</b> | <b>2<sup>nd</sup> Authorised Signature (Member of SLT)</b> |
| <b>Date:</b>  | <b>Date:</b>   |

## Reserves and balances policy

### Background

This policy sets out the Council's approach to reserves and balances. The policy has regard to LAAP Bulletin 77 'Local Authority Reserves and Balances', issued in November 2008.

In reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for both the general fund and the housing revenue account. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).

### Types of reserve

The Council will maintain the following reserves:

- general reserve: to manage the impact of uneven cash flows and unexpected events or emergencies;
- specific reserves: sums set aside to meet known or predicted specific requirements.

Specific reserves will be maintained as follows:

- risk reserve: to manage litigation and other corporate risks not otherwise recognised;
- transformation reserve: to fund the transformation programme to change, protect and improve Council services;
- service development reserve: to enable the Council to respond to the most urgent corporate priorities;
- infrastructure reserve: to fund infrastructure necessary to enable development across the borough;
- PFI reserve: to manage the profile of grants and payments in respect of PFI projects;
- financing reserve: to enable the effective management of the medium-term financial strategy;
- schools reserve: balances in respect of delegated school budgets;
- service reserves: funds set aside for specific purposes in respect of individual Council services; and
- capital receipts reserve: capital receipts not yet applied to capital expenditure.

The Council also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts.

### **Principles to assess the adequacy of reserves**

The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, the CFO will have regard to:

- the strategic financial context within which the Council will be operating through the medium-term;
- the overall effectiveness of governance arrangements and the system of internal control;
- the robustness of the financial planning and budget-setting process;
- the effectiveness of the risk management process and the potential impact of risks identified;
- the effectiveness of the budget monitoring and management process.

Having had regard to these matters, the CFO will advise the Council on the monetary value of the required general reserve.

The Council has also considered the Audit Commission's recent "Striking a Balance" report (December 2012) which outlines the need for elected members to ensure that their council's reserves are appropriate for local circumstances and the risk based considerations to facilitate this.

In considering specific reserves, the CFO will have regard to matters relevant in respect of each reserve, and will advise the Council accordingly.

### **Use of reserves**

The use of reserves will be determined formally by the Cabinet Resources Committee, informed by the advice of the CFO.



## Corporate Risk Register

The following risk register represents those risks in place at the time of reporting at quarter 3, the mitigation strategies in place for each risk and the proposed treatment of each risk. The risk register has been compiled as a result of risk champions across the Council and is subject to challenge and discussion at a Assistant Director and Director level prior to reporting to Members.

| PROBABILITY | SCORE          | IMPACT     |       |          |       |              |
|-------------|----------------|------------|-------|----------|-------|--------------|
|             |                | 1          | 2     | 3        | 4     | 5            |
|             |                | Negligible | Minor | Moderate | Major | Catastrophic |
| 5           | Almost Certain | 0          | 0     | 0        | 0     | 0            |
| 4           | Likely         | 0          | 0     | 0        | 4     | 0            |
| 3           | Possible       | 0          | 1     | 6        | 5     | 0            |
| 2           | Unlikely       | 0          | 0     | 0        | 0     | 0            |
| 1           | Rare           | 0          | 0     | 0        | 0     | 0            |

Risk Commentary – Since last reporting date (November 2012) there has been an increase in the scoring of risks around transition and mobilisation – people/capacity and also the increased risk around the judicial review and the potential impact on savings, depending on the outcome. Risks continue to be present in relation to the Eurozone resulting in a cautious approach around Treasury continuing.

Other risks that continue to be of concern is in respect of Welfare Reform, especially given that regeneration has not been converting affordable homes at pace with housing demands. Population increases and demand for services continues to impact on current budgets and is of concern long term.

| Risk  | Current Assessment |             |            | Control Actions   | Risk Status | Board Assurance (timing) | Target Assessment |               |                  |
|---|--------------------|-------------|------------|---|-------------|--------------------------|-------------------|---------------|------------------|
|   | Impact             | Probability | Rating     |   |             |                          | Impact            | Probability   | Rating           |
| People – there may not be in place the capacity within the council to deliver the change agenda, business as usual and manage the transition to the new corporate structure.<br>Cause: timings of the corporate | Major<br>4         | Likely<br>4 | High<br>16 | <i>Preventative: Restructure Complete<br/>Transition plans for moving to new provider and new groups within structure<br/>Develop Organisational Development Strategy</i> | Treat       | Quarterly                | Moderate<br>3     | Possible<br>3 | Medium-High<br>9 |

| Risk  | Current Assessment |             |            | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment |               |                     |
|---|--------------------|-------------|------------|--|-------------|--------------------------|-------------------|---------------|---------------------|
|   | Impact             | Probability | Rating     |  |             |                          | Impact            | Probability   | Rating              |
| <p>restructure may mean that the right people are not in place to lead through the period of change and transition.</p> <p>Consequence: Business as usual may suffer and impact on the customer experience or overall financial management or corporate governance.</p>   |                    |             |            | <p><b>Detective:</b> Performance Management Framework to identify areas of concern, in particular 'managing the business' indices</p> <p>Regular Senior Management Team meetings for each Directorate</p> <p>One Barnet Programme – management of mobilisation/transition plans for escalation to the Board.</p>   |             |                          |                   |               |                     |
| <p>Welfare and Benefit Reform – there is a risk that government policy may have unintended consequences set in the wider context of service reductions and social change. Likelihood that there will be direct operational increases from implementing a new system, potential for cost pressures from central government to local government, and there may be a transfer of costs from one council to another.</p> <p>Cause: Central Government has committed to a programme of welfare reform, aiming to simplify the benefits systems, create the right incentives to get more people into work, protect the most vulnerable, and deliver fairness to</p> | Major<br>4         | Likely<br>4 | High<br>16 | <p><b>Preventative:</b> Welfare Reform Programme (including partners) in place to determine impact and to determine the design of the new scheme in place to deliver welfare and benefit reform.</p> <p>A crisis fund is being developed includes a local allocation of £2m in Discretionary Housing Payments for 2013/14.</p> <p>Actions to manage housing supply</p> <p><b>Detective:</b> Performance indicators in place to determine impact on housing and social care demand, NEETs</p> <p>Development of an implementation plan to monitor</p> | Treat       | Quarterly                | Moderate<br>3     | Possible<br>3 | Medium<br>High<br>9 |

| Risk   | Current Assessment |               |                      | Control Actions   | Risk Status | Board Assurance (timing) | Target Assessment |               |                      |
|--|--------------------|---------------|----------------------|---|-------------|--------------------------|-------------------|---------------|----------------------|
|  | Impact             | Probability   | Rating               |   |             |                          | Impact            | Probability   | Rating               |
| <p>tax payers and to those claiming benefits</p> <p>Consequence: potential to negatively affect those economically disadvantaged within the community.</p>   |                    |               |                      |   |             |                          |                   |               |                      |
| <p>Financial Resilience – given the slow recovery of the economy there is a risk of key concerns over delivering savings over the next few years and managing to deliver services at the highest standards over such uncertainty. This risk may be further increased locally pending outcome of the judicial review for NSCSO and DRS outsource contracts (worst case scenario planning).</p> <p>Cause: further cuts to local government funding in 2012/13 and there have been discussions of an additional Spending Review possibly in the Autumn of 2012/13.</p> <p>Consequence: Erosion of financial reserve position or non delivery of key services to the vulnerable.</p> | Major<br>4         | Possible<br>3 | Medium<br>High<br>12 | <p><b>Preventative:</b> Financial and Business Planning cycle including risk assessments of saving plans</p> <p><b>Detective:</b> Budget monitoring and financial management standards being adhered to.<br/>Recovery plans and alternative options reviewed in areas with overspends.<br/>Value for money indicators in use across the business.<br/>Monitoring delivery of Medium Term Financial Strategy</p> | Tolerate    | Quarterly                | Major<br>4        | Possible<br>3 | Medium<br>High<br>12 |

| Risk   | Current Assessment |               |                       | Control Actions   | Risk Status | Board Assurance (timing) | Target Assessment |               |                       |
|--|--------------------|---------------|-----------------------|---|-------------|--------------------------|-------------------|---------------|-----------------------|
|  | Impact             | Probability   | Rating                |   |             |                          | Impact            | Probability   | Rating                |
| <p>Treasury – there is a risk due to the potential break up of the Euro and associated defaults could leave banks around the world exposed to bad debt. The council will need to ensure prudent investments over this period to prevent funds and associated interest being at risk.</p> <p>Cause: Creditworthiness of banks continues to be a concern due to global economic uncertainty and the Eurozone crisis</p> <p>Consequence: Loss of funds if there are not adequate safeguards in place to review investments.</p> | Major<br>4         | Possible<br>3 | Medium/<br>High<br>12 | <p><b>Preventative:</b> <i>Approved Treasury Management Strategy with appropriate sign off of deposits by senior management.</i></p> <p><b>Detective:</b> <i>Compliance checks on application of strategy, continual monitoring of deposits and proactive assessment and amendment of lending lists in light of changing circumstances</i><br/><i>Internal audit reports gave satisfactory assurance (November 2012)</i></p>  | Tolerate    | Quarterly                | Major<br>4        | Possible<br>3 | Medium-<br>High<br>12 |
| <p>Failure to plan for population increase – the borough is set to grow in population and there is a risk that there may not be enough social infrastructure (schools, older people homes), physical and green spaces, and affordable housing available in line with demand. If the growth is not fed into sufficiently into plans there is the risk that some directorates may not be able to provide services to offset demand pressures in other directorates.</p> <p>Cause: Population increase and</p>                  | Major<br>4         | Likely<br>4   | High<br>16            | <p><b>Preventative:</b> <i>Development of Pupil Placed Planning Strategy linked effectively with the Regeneration Programme</i><br/><i>Demand Management, prevention and intervention into troubled families (Wave 2 projects)</i></p> <p><b>Detective:</b> <i>Regeneration Board, Regeneration Compliance Group, performance indicators for new homes.</i><br/><i>Investment Appraisal Board for school expansions, this process is currently being redesigned to be</i></p> | Treat       | Quarterly                | Major<br>4        | Possible<br>3 | Medium-<br>High<br>12 |

| Risk  | Current Assessment<br>Impact Probability Rating |               |                  | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment<br>Impact Probability Rating |               |                 |
|---|---|---------------|------------------|--|-------------|--------------------------|--|---------------|-----------------|
| <p>people living longer.</p> <p>Consequence: More demand for public services over a period in declining government funding.</p>   |   |               |                  | <p><i>more effective.</i><br/><i>Development of Programme Management Capability within Regeneration.</i></p>   |             |                          |  |               |                 |
| <p>Information Management – there is a risk of non compliance with data protection legislation and information security policies without practical responses to transferring information between providers and the council.</p> <p>Cause: Changes to the ways in which services are provided require more interchange of information with external bodies.</p> <p>Consequence: potential information security or data protection breaches if policies are not strictly complied with leading to reputational damage and potential fines from ICO.</p> | Moderate<br>3                                   | Possible<br>3 | Medium-High<br>9 | <p><b>Preventative:</b> <i>Permanent business as usual Information Management function in place. Information Management Strategy; E-learning package on information management</i><br/><i>Communication of policies and procedures</i></p> <p><b>Detective:</b> <i>Chief Information Officer and Head of Information Management role in place and business as usual function is being implemented. Roles will be responsible for on-going oversight and direction of Information Management. Information Governance Council will formally reconvene alongside commencement of restructure organisation. Information Governance Board providing oversight and direction</i><br/><i>IM implementation plan</i><br/><i>Delivery Unit Governance Groups in place within services to monitor compliance within Adults and</i></p> | Treat       | Quarterly                | Moderate<br>3                                  | Unlikely<br>2 | Medium-Low<br>6 |

| Risk  | Current Assessment |               |                     | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment |               |                 |
|---|--------------------|---------------|---------------------|--|-------------|--------------------------|-------------------|---------------|-----------------|
|   | Impact             | Probability   | Rating              |  |             |                          | Impact            | Probability   | Rating          |
|   |                    |               |                     | <i>Children's Services (high risk areas)</i>   |             |                          |                   |               |                 |
| <p>Commercial Relationships – there is a risk that centralisation and compliance work distracts focus from supply chain management and category management across the council for delivery of key savings over the short to medium term.</p> <p>Cause: As the focus of procurement has been compliance resources have not been balanced in terms of delivery of category management and ensuring understanding of contract management after the procurement exercise.</p> <p>Consequence: Failure to understand the data and to make future savings from better commercial relationships.</p> | Major<br>4         | Possible<br>3 | Medium - High<br>12 | <p><b>Preventative:</b> <i>medium term procurement strategy developed Delivery of Procurement Controls and Monitoring Action Plan to ensure compliance with basic procurement rules – satisfactory assurance received from internal audit in November 2012</i></p> <p><b>Detective:</b> <i>Data for category spend per Directorate reviewed and acted upon Centralisation of procurement specialists to act as key supplier relationship managers (SRMs) across the business and embedding of controls. Development of Commercial Assurance in new organisational structure for April 2013</i></p> | Treat       | Quarterly                | Moderate<br>3     | Unlikely<br>2 | Medium-Low<br>6 |
| Asset Management – there is a risk that there is not a common understanding of the current state and size of council and community owned assets.  | Moderate<br>3      | Possible<br>3 | Medium-High<br>9    | <p><b>Preventative:</b> <i>Asset Management Strategy development</i></p> <p><b>Detective:</b> <i>Developing a list of council and community based assets, including any compliance</i></p>   | Treat       | Quarterly                | Minor<br>2        | Possible<br>3 | Medium-Low<br>6 |

| Risk   | Current Assessment |             |            | Control Actions   | Risk Status | Board Assurance (timing) | Target Assessment |               |                   |
|--|--------------------|-------------|------------|---|-------------|--------------------------|-------------------|---------------|-------------------|
|  | Impact             | Probability | Rating     |   |             |                          | Impact            | Probability   | Rating            |
| <p>Cause: there has been a lack of an integrated Asset management System due to a lack of data on properly held.</p> <p>Consequence: Asset management planning may not be well integrated within business planning processes leading to poor use of resources.</p>   |                    |             |            | <p>issues.</p> <p>Implementation of Estates Strategy Action Plan</p> <p>Establish corporate asset management system</p>   |             |                          |                   |               |                   |
| <p>Waste Management and Sustainability – without consideration of alternative ways of improving recycling and changing behaviours around sustainability there is a risk that costs will escalate in the future and delivery of services at the current quality will not be possible leading to declining customer satisfaction.</p> <p>Cause: Growth and changes in government regulations and law require change to waste management and sustainability.</p> <p>Consequence: Increased costs due to penalties attracted where minimum recycling rates not achieved and where rubbish sent to landfill. Without appropriate ownership of responsibility for environmental matters and easy</p> | Major<br>4         | Likely<br>4 | High<br>16 | <p><b>Preventative:</b> In-house delivery with stretch model being taken forward<br/>NWL A partnership</p> <p><b>Detective:</b> Performance Indicators for recycling and customer satisfaction.<br/>Waste Project Board for oversight of delivery of plan<br/>One Barnet Programme<br/>Management until Business as Usual phase</p> | Treat       | Quarterly                | Major<br>4        | Possible<br>3 | Medium-High<br>12 |

| Risk  | Current Assessment<br>Impact Probability Rating |               |                  | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment<br>Impact Probability Rating |               |                 |
|---|---|---------------|------------------|--|-------------|--------------------------|--|---------------|-----------------|
| access to methods of recycling there may be an adverse affect on the environment and standards of living.   |   |               |                  |  |             |                          |  |               |                 |
| <p>Health Integration – local health organisations and social care have agreed to work on a single integration programme for commissioning and service change from October 2012. Without clear evidence that demonstrates the measurable return on investment for integration with social care and the timescale for benefit realisation, there is a risk that partner organisations may be unwilling to commit to support and invest in integration projects where they do not see a rapid and/or proportionate return on their investment for their own organisation.</p> <p>Cause: Resourcing constraints and are expected to impact local NHS organisations that are undergoing major transitions now and during the next 12 months.</p> <p>Consequence: Without appropriate partnership commitment the opportunities from integration of</p> | Moderate<br>3                                   | Possible<br>3 | Medium-High<br>9 | <p><b>Preventative:</b> Strategic Outline Business Case for Health and Social Care Integration and investment priorities outlining commitment of NHS organisations and Barnet Council to provide resources to support the delivery of social care and health integration initiatives and the investment of Section 256 monies.</p> <p>NHS and Social Care integration summit agreed the benefits of a single programme approach to integration in the borough, July 2012. Programme initiation October 2012</p> <p><b>Detective:</b> Health and Well-Being Board oversight Building local insight through the piloting and evaluation of integration initiatives prior to a large scale commitment or long-term investment decision. Also definition of benefits measurement will be an essential component of</p> | Treat       | Quarterly                | Moderate<br>3                                  | Unlikely<br>2 | Medium-Low<br>6 |



| Risk   | Current Assessment |               |                     | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment |             |                   |
|--|--------------------|---------------|---------------------|--|-------------|--------------------------|-------------------|-------------|-------------------|
|  | Impact             | Probability   | Rating              |  |             |                          | Impact            | Probability | Rating            |
| health and social care may not be realised such as the ability to improve the health and wellbeing of the Barnet community; and appropriate care and support to support and facilitate good outcomes; & improved management of demographic change  |                    |               |                     | <p><i>integration project development and delivery. Creation of concordat detailing principles of engagement, investment and benefits realisation to be signed by all NHS and social care organisations in the programme.</i></p> <p><i>Programme management approach through One Barnet to ensure that the mix of benefits across the portfolio of projects are fairly distributed at programme level.</i></p> <p><i>Engagement and Communications workstream</i></p> <p><i>HR engagement</i></p>       |             |                          |                   |             |                   |
| New Public Health Statutory Responsibilities - Local Authorities will have a new statutory responsibilities for health improvement, health protection and the provision of public health advice and information to local NHS Commissioners from April 2013 as part of the changes to the health and social care system enacted in the new Health and Social Care Act. The new responsibilities will be funded by a ring-fenced grant which will be based on historical actual outturn spend and will not be confirmed by the Department of | Major<br>4         | Possible<br>3 | Medium - High<br>12 | <p><b>Preventative</b> – Inter Authority Agreement being agreed with Harrow Council.</p> <p><i>Barnet Council has representation on the London Councils forum and is lobbying for a fair funding settlement through a range of formal and informal channels including Department of Health, NCL Cluster, NHS London Public Health Programme and the Local Government Association.</i></p> <p><b>Detective</b> – Joint NCL and Barnet Council Public Health Transition Board including representation</p> | Treat       | Quarterly                | Moderate<br>3     | Likely<br>4 | Medium-High<br>12 |

| Risk  | Current Assessment<br>Impact Probability Rating |  |  | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment<br>Impact Probability Rating |  |  |
|---|---|--|--|--|-------------|--------------------------|--|--|--|
| <p>Health until December 2012. A project is being implemented jointly with NHS NCL to prepare for the transfer of designated public health functions, contracts and staff to the Local Authority.</p> <p><u>Cause</u> - There is a risk of insufficient funding and specialist public health staff resources for the Local Authority to discharge its statutory Public Health responsibilities. There is an identified £1.4m shortfall between the expected funding requirement and the likely public health ring-fenced grant allocation settlement. The historical level of investment public health in Barnet is substantially lower than other parts of London and is well below the national average.</p> <p><u>Consequence</u> – The Local Authority will be unable to discharge its new statutory public health commitments and will have insufficient resources to fulfil its corporate local strategic priorities for public health improvement and health protection.</p> |   |  |  | <p><i>from NCL Finance, Public Health, Barnet CCG and the regional Health Protection Unit. The Project Board meets monthly. Direct input into the preparation and validation of NCL Public Health financial information. Review of monthly NCL public health financial reporting during the transition year (2012/13).Memorandum of Understanding with NCL Cluster to support the safe transfer of public health functions to the Local Authority.</i></p> |             |                          |  |  |  |

| Risk   | Current Assessment |               |                  | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment |               |                 |
|--|--------------------|---------------|------------------|--|-------------|--------------------------|-------------------|---------------|-----------------|
|  | Impact             | Probability   | Rating           |  |             |                          | Impact            | Probability   | Rating          |
| <p>Fraud – there is a risk that monies or assets may be fraudulently gained by individuals internal or external to the council over the period of change or austerity.</p> <p>Cause: In periods of austerity it is inherent in any organisation, particularly within government agencies, that they are targeted by fraudsters either external or internal.</p> <p>Consequence: funds may fraudulently leave the council and in the event that the fraud is not detected may not be recovered.</p> | Minor<br>2         | Possible<br>3 | Medium-Low<br>6  | <p><b>Preventative work:</b> fraud awareness training delivered through e-learning, appropriate design of control by management to prevent fraud.</p> <p><b>Deterrent:</b> publication of any fraudsters convicted and prosecuted by the Council</p> <p><b>Detective:</b> Proactive fraud plan in place for 2012-13 to identify weaknesses in control to mitigate the risk of fraud; controls designed by management to detect fraud or error within their key systems.</p> <p>Regular review of fraud cases and consideration of the application of controls.</p> | Tolerate    | Quarterly                | Minor<br>2        | Possible<br>3 | Medium-Low<br>6 |
| <p>Failure to engage properly with Residents.</p> <p>Cause: A full understanding of resident's and their involvement in their communities may not be reflected in services approach to business planning; or on building how residents would like to be involved further in their communities.</p>   | Moderate<br>3      | Possible<br>3 | Medium-High<br>9 | <p><b>Preventative:</b> Finance and Business Planning – feeding consultations into service design. Ensuring equalities is embedded within the Commissioning Group.</p> <p><b>Governance:</b> Constitutional Review will look at Public Participation and improvements.</p> <p>Social media – alternative methods</p>   | Treat       | Quarterly                | Moderate<br>3     | Unlikely<br>2 | Medium-Low<br>6 |

| Risk   | Current Assessment |               |                  | Control Actions  | Risk Status | Board Assurance (timing) | Target Assessment |               |                 |
|--|--------------------|---------------|------------------|--|-------------|--------------------------|-------------------|---------------|-----------------|
|  | Impact             | Probability   | Rating           |  |             |                          | Impact            | Probability   | Rating          |
| Consequences: reputational damage and the potential to make policy that does not reflect the needs of residents  |                    |               |                  | <p><i>of engaging with residents to be explored through future updates to the website included in phase 2.</i></p> <p><b>Detective:</b> <i>Common understanding of the citizen engagement within the Council through review of complaints data analysis and prior consultations. Performance indicators for customer satisfaction and customer care.</i></p> |             |                          |                   |               |                 |
| <p>Partnerships – there is a risk that our relationships with key partners with schools, NHS, police may not work effectively to achieve joint outcomes for local people.</p> <p>Cause: Immature partnership framework that is yet to endure a test of the strength of the relationships.</p> <p>Consequence: without clear focus on outcomes partnerships want to achieve the benefits of working collaboratively will not be realised and there could be duplication of efforts or gaps in discharging statutory responsibilities.</p> | Moderate<br>3      | Possible<br>3 | Medium-High<br>9 | <p><b>Preventative:</b> <i>Overarching Partnership Strategy for the Commissioning Group. Partnership Framework</i></p> <p><b>Detective:</b> <i>Partnership Delivery Boards monitoring delivery of partnership outcomes.</i></p>  | Treat       | Quarterly                | Moderate<br>3     | Unlikely<br>2 | Medium-low<br>6 |

| Risk   | Current Assessment |               |                   | Control Actions   | Risk Status | Board Assurance (timing) | Target Assessment |               |                  |
|--|--------------------|---------------|-------------------|---|-------------|--------------------------|-------------------|---------------|------------------|
|  | Impact             | Probability   | Rating            |   |             |                          | Impact            | Probability   | Rating           |
| <p>As DRS moves towards final evaluation and NSCSO preferred bidder mobilisation there are risks around the mobilisation period with potential for delay and business continuity over that time. This is also affected by the recent judicial reviews received.</p> <p>Cause: The stage in the procurement process requires capacity and leadership to ensure smooth transition.</p> <p>Consequence: Business as usual may suffer or delays occur if the process is not controlled well over the selection and mobilisation process.</p> | Major<br>4         | Possible<br>3 | Medium-High<br>12 | <p><b>Preventative:</b> Evaluation panels in place for the assessment of final bids for DRS and Member decision making process.</p> <p>Transition &amp; Mobilisation plans in place to move to new provider for NSCSO and movement to new organisational structure.</p> <p><b>Detective:</b> Transition &amp; Mobilisation programme in place monitoring delivery of plans, escalating issues as appropriate.</p> | Treat       | Weekly                   | Moderate<br>3     | Possible<br>3 | Medium-High<br>9 |
| <p>There is a risk in the new organisational structure that the Council may not have the capacity to manage contracts effectively.</p> <p>Cause: change in the model for management contracts post finalisation of major outsourcing of DRS and NSCSO services within scope.</p> <p>Consequence: contract managers may not be in place and with</p>  | Moderate<br>3      | Possible<br>3 | Medium High<br>9  | <p><b>Preventative:</b> Appointment of contract managers. Embedding central/devolved approach to contract management Sufficient lead in period until go-live of April 13.</p> <p><b>Detective:</b> Transition &amp; Mobilisation Board in place monitoring requirements of the new organisation</p>   | Treat       | Monthly                  | Minor<br>2        | Possible<br>3 | Medium Low<br>6  |

| Risk  | Current Assessment<br>Impact Probability Rating |  |  | Control Actions                         | Risk Status | Board Assurance<br>(timing) | Target Assessment<br>Impact Probability Rating |  |  |
|---|---|--|--|---|-------------|-----------------------------|--|--|--|
| sufficient knowledge of the new working arrangements to ensure delivery of Key Performance Indicators from April onwards. |   |  |  | <i>New Head of Commercial in place.</i> |             |                             |  |  |  |