

MEETING

COMMUNITY LEADERSHIP COMMITTEE

DATE AND TIME

WEDNESDAY 25TH JUNE, 2014

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, NW4 4BG

TO: MEMBERS OF COMMUNITY LEADERSHIP COMMITTEE (Quorum 3)

Chairman: Councillor David Longstaff
Vice Chairman: Councillor Graham Old

Councillors

Claire Farrier	Alison Moore	Mark Shooter
Brian Gordon	Charlie O-Macauley	Agnes Slocombe
Arjun Mittra	Lisa Rutter	

Substitute Members

Kathy Levine	Brian Salinger	Peter Zinkin
Wendy Prentice	Alan Schneiderman	

You are requested to attend the above meeting for which an agenda is attached.

Andrew Nathan – Head of Governance

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Media Relations contact: Sue Cocker 020 8359 7039

ASSURANCE GROUP

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Absence of Members (if any)	
2.	Declaration of Members' Disclosable Pecuniary Interests and Non Pecuniary Interests (if any)	
3.	Public Comments and Questions (if any)	
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9.	Corporate Grants Programme, 2014/15 - Cast Barnet Community Festival - Approval of award under Delegated Powers	131 - 136
10.	Community Leadership Committee Work Programme	137 - 146
11.	Any item(s) the Chairman decides are Urgent	

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	<p>Community Leadership Committee</p> <p>25th June 2014</p>
<p style="text-align: center;">Title</p>	<p>Finance and Business Planning, Corporate Plan and Medium Term Financial Strategy 2015/16 – 2019/20</p>
<p style="text-align: center;">Report of</p>	<p>Strategic Director for Growth and Environment</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Enclosures</p>	<p>Appendix 1: Policy and Resources Committee report on Finance & Business Planning Appendix 2: Service information packs</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Stephen Evans - stephen.evans@barnet.gov.uk 0208 359 3021 James Mass - james.mass@barnet.gov.uk 0208 359 4610</p>

<p>Summary:</p>
<ul style="list-style-type: none"> • A report was agreed by Policy and Resources Committee on 10 June 2014 which outlines the future financial challenge facing the Council to 2019/20 – with further savings of £72 million forecast to be required - and the process whereby Council Committees will consider the response to this challenge, including the setting of savings targets for each Committee. The extracts of this report relevant to the Community Leadership Committee are set out in the main body of this report. • This report recommends that the Community Leadership Committee: <ul style="list-style-type: none"> • Considers the savings target of £0.8 million by 2019/20 in the areas of spend overseen by the Committee, asset by Policy and Resources Committee. • Considers the timetable of activity to develop priorities and savings proposals to meet the target, before the Committees reports back to Policy and Resources Committee on 2 December 2014, at which the council’s draft budget for 2015/16 and future spending plans will be set out for consultation. • As part of this report, the Committee makes recommendations on future commissioning priorities over the period 2015 – 2020, to be incorporated in the Council’s revised Corporate Plan.

Recommendations

That the Community Leadership Committee:

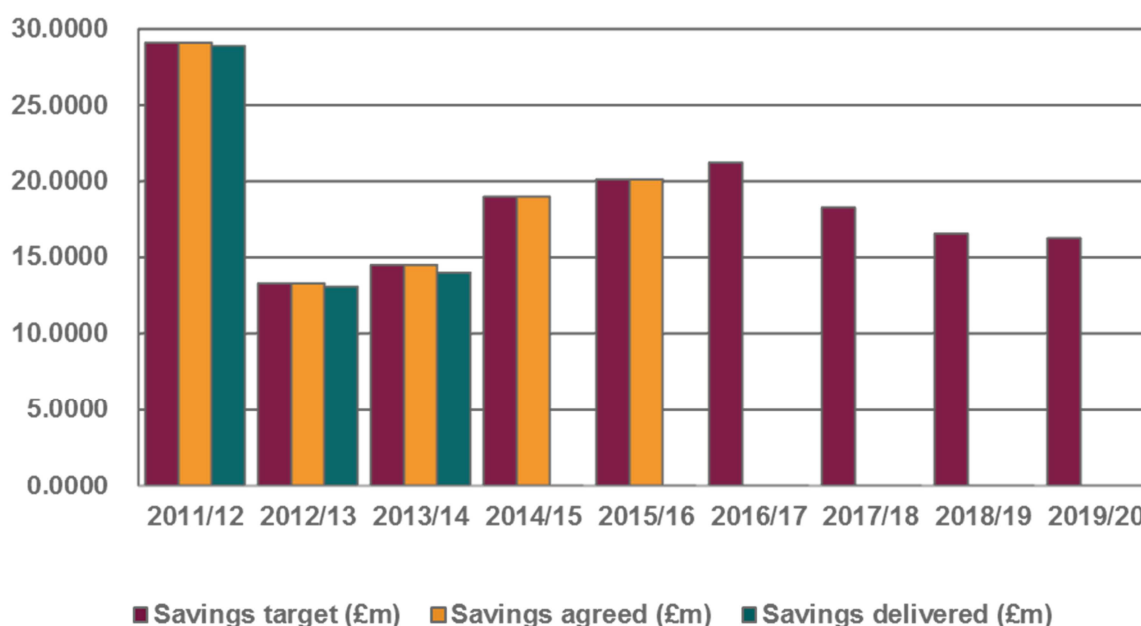
- 1.1 Notes the Policy and Resources Committee report as set out in Appendix A;**
- 1.2 Notes the savings target of £0.8 million that has been allocated to the Committee by the Policy and Resources Committee.**
- 1.3 Agrees to work up proposals that will achieve that savings target by 2019/20 - including by considering the options set out in the Priorities and Spending Review Report – by the autumn, together with an agreed future commissioning plan. Savings proposals will go forward to the Policy and Resources Committee meeting on 2 December 2014, which will consider the Council’s draft budget for consultation; and**
- 1.4 Notes the service information pack included in Appendix B which provides contextual information on budgets, past spend and performance data, contracts, customer and staffing data.**

1.2 Strategic Context

- 1.2.1** The financial position of Local Government is extremely challenging, despite more recent improvements in the UK economy. Economic growth has been slower than originally projected by the Government at the 2010 Spending Review and, although the economy is now growing, a large structural budget deficit remains. When the Coalition Government first sets its spending plans and deficit recovery programme, it was projected that the annual budget deficit would be eradicated by 2015. This target has been missed, and it is now expected to be in balance by 2018/19. Public sector debt as a % of GDP is not currently expected to start falling until 2016/17.
- 1.2.2** The Government is committed to addressing the budget deficit primarily by cutting expenditure (80%) compared to increasing taxation (20%). Of the total £732 billion annual government expenditure, approximately half of this is “non-departmental” spend, primarily welfare and pensions, which is driven by demand. Welfare expenditure has already been subject to significant cuts. Of the remaining “departmental” expenditure, over 50% of this is protected as it relates to the NHS, schools, defence equipment and overseas aid. Local Government, along with transport, police, skills, universities and defence, sits in the remaining non-protected expenditure group. For this reason, a disproportionate level of cuts will continue to fall on Local Government until the end of the decade unless protections around other areas of spending are relaxed.
- 1.2.3** In spite of the on-going financial challenges, the Council continues to provide high quality services to residents. According to the Council’s Residents Perception Survey, resident satisfaction with the Council has increased by 21% since 2010. Compared to 2010, residents think the council is doing a better job; offers better Value for Money; is working to improve the local area; and is listening to concerns of local residents and responding quickly when asked for help. In addition, 91% of primary and 86% of secondary schools are rated as ‘good’ or ‘excellent’ by Ofsted – among the best performance in the

country. The Borough remains an attractive and successful place to live, with 87% of residents satisfied with their local area.

1.2.4 Over the period 2011-15, the Council has worked hard to reduce costs, cut waste, and improve efficiency. Over that period, a total of £75m of annual savings have been found in Council budgets. Tough decisions have been made over, including outsourcing support services, setting up joint ventures and shared service arrangements to reduce costs and/or increase income, and better managing demand for social care. However, the Council is only half way through what is expected to be a decade of austerity, and therefore further work needs to be done to balance the budget to 2020.



1.2.5 The Council's future regeneration programme will see £6bn of private sector investment over the next 25 years to ensure that the Borough remains an attractive place to live and do business. This will create around 20,000 new homes and up to 30,000 new jobs across the Borough. The Council also expects to receive approximately £5.6 million of recurrent income from the proceeds of regeneration by the end of the decade, with around £50 million of non-recurrent income to be re-invested in infrastructure.

1.2.6 Residents from across the borough will continue to share in the benefits of growth, with increasing housing development leading to an increase in the tax base and, subsequently, lower Council Tax bills for residents. During these challenging times, the Council does not want to increase financial the burden on families and individuals. This is why the Council has frozen Council Tax from 2010-11 and 2013/14, and reduced Council Tax by 1% in 2014/15.

1.4 The Barnet Priorities and Spending Review

1.4.1 The scale of the financial challenge continues to be huge. The Council has estimated that it will need to save a further £72 million (25%) from its annual

budget by 2019/20 due to increasing demand and further austerity. This will require a fundamental shift in the way public services are delivered. Such a scale of change will take time to deliver, and for this reason it is important that the Council has a plan for the future, and this plan stretches not just a couple of years in advance, but for the next 5 years to 2020. As agreed in the budget report to Cabinet in July 2013, Council officers have undertaken a review of budgets, spending and potential opportunities to make further savings over the period 2016-20. This report was considered by Policy and Resources Committee on 10 June 2014 and is included in **Appendix A**.

1.4.2 The Priorities and Spending Review (PSR) – which concluded with the publication of the final report on 2 June - has been a process led by officers. It has been informed by public consultation, and officers have engaged with all three main political parties over the last 12 months. The PSR report sets out options for Committees to support in developing their responses to future budget challenges. It is important to note that no decisions on future budget savings are being made in this report – rather, it sets out options for Members to consider through Committees, informed by consultation with residents.

1.4.3 The Community Leadership Committee will have oversight of the council's spending on in a number of areas totalling £1.9 million, which includes spending on community safety, the Council's Grants Budget, communications and Mayoral and Civic spend. The elements of the PSR report relevant to the Community Leadership Committee are as follows:

- The PSR has identified a **package of measures which could save up to £800,000 in the budget areas overseen by the Community Leadership Committee**, in particular through alternative delivery models in relation to the provision of services related to community safety.
- There are opportunities to generate operational efficiencies of approximately £200,000 in the delivery of the borough's **CCTV services**. Going further, **the council could save an additional £600,000 by moving to a full cost recovery model of CCTV provision**, which would include finding alternative funding sources from those that benefit from the existence of CCTV cameras.

Summary:

- **The PSR has identified options to increase the financial benefit to the council by approximately £0.8 million in the Community Leadership Committee's area of responsibility, through the following means:**

Improving organisational efficiency, including:	Approximately £0.2 million
<ul style="list-style-type: none"> • Operational efficiencies in the delivery of the borough's CCTV services. • Cancellation of the MOSAIC contract and using resources provided by the council's Customer and Support Group partner. 	
Promoting growth and raising income, including:	Approximately £0.6 million
<ul style="list-style-type: none"> • Considering moving to a full cost recovery model for the borough's CCTV services 	
TOTAL	Approximately £0.8 million

1.4.4 The PSR report puts forward options which have the potential to save the Council up to £50.8m by 2019/20. This means that, even if all of the options set out in the PSR report were accepted and the maximum value of savings achieved, the Council would still face a budget gap of £21m by 2019/20. This may well have further implications for this committee.

1.5 Commissioning Plans and the Corporate Plan

1.5.1 The Council's Corporate Plan is the overarching strategic document for the organisation, setting out its commissioning priorities and objectives. The current Corporate Plan which covers the period 2014-15 to 2015-16 was published in April and has been revised to reflect the new freedoms offered by the Localism Act.

1.5.2 Following local elections in May, and the formation of a new administration, the Corporate Plan needs to be updated. The creation of the new Committee system of governance provides an opportunity for each Committee to help set the future direction of the Council. It is therefore proposed that each Committee agrees forward looking commissioning plans covering the period 2015-20 within their areas of responsibility, which will be reported back to Policy and Resources Committee on 2 December 2014 as part of a refreshed Corporate Plan.

1.5.3 It is recommended that the tone of the Corporate Plan is guided by an emerging overall narrative that has been developed off the back of the responses to the first phase of PSR consultation, of Barnet being a place:

- Of **opportunity**, where people can expect a **good quality of life**;
- Where **opportunity is shared, fairly**;
- Where **services will be transformed** by a smaller, smarter public sector; and
- Where people will be **helped to help themselves**.

1.9 Timetable

1.9.1 Theme Committees will be supported by officers throughout the summer and autumn to develop their response to the savings targets they have been set, agreeing a package of proposals by November that will enable a draft Medium Term Financial Strategy for the Council to be set by Policy and Resources Committee on 2 December 2014. The outline timetable is as follows:

- **June:** Finance and Business Planning process commences with agreement at Policy and Resources Committee on 10 June. Each Committee receives a report on the budget and business planning process, the budget envelope to 2020, and a summary of potential savings opportunity. Each Committee is asked to develop commissioning priorities and proposals to inform a new Corporate Plan, commissioning strategy for the Committee, and savings proposals.
- **October – November:** Each Committee to agree draft commissioning priorities and savings proposals, for submission to Policy and Resources Committee on 2 December.
- **2 December:** Policy and Resources Committee

1.10 Consultation

1.10.1 Consultation has already commenced to help inform the Council's future plans and will continue as options set out in this report – and others that are likely to emerge - are considered further. Consultation follows three broad phases:

- a) Phase 1 – Citizens' Panels and Focus Groups have targeted service users, businesses and some protected characteristic groups to gauge residents' views about local services and priorities.
- b) Phase 2 – the "Call for Evidence" closes on 30 June. This has involved online channels, asking local and national commentators and stakeholders for views on how we meet future challenges, and ensures this thinking is informed by best practice. The Call for Evidence was launched in March and suspended during purdah. The findings of phases 1 and 2 will be shared through Committees over the summer to inform decision making.
- c) Phase 3 – consultation on specific savings proposals will commence as they are formulated and before final decisions are taken. It is recommended that Committees run consultation on emerging groups of ideas over the summer/autumn to inform proposal development. Individual consultation on specific proposals will take place following agreement of a draft medium term financial strategy and corporate plan at Policy and Resources committee in December. Equalities Impact Assessments will be developed as proposals become clearer.

2. REASONS FOR RECOMMENDATIONS

2.1 As set out in this report, Local Government is facing significant cuts in funding which will require a fundamental change to the way services are delivered by 2020. Such a scale of change takes time to deliver, and for this reason it is important that the Council has a plan for the future, and this plan stretches not just a couple of years in advance, but for the next 5 years to 2020. As agreed in the budget report to Cabinet in July 2013, Council officers have undertaken a review of budgets, spending and potential opportunities to make further savings over the period 2016-20. Policy and Resources Committee on 10 June 2014 agreed the future business planning process and savings targets for Theme Committees. This report takes this process forward.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 This report in itself does not ask that Members make any decisions on specific savings options; rather it sets out a process for engaging all Members and Committees in the development of budget proposals for the period up to 2020.

4. POST DECISION IMPLEMENTATION

4.1 Following approval of these recommendations, Committees will consider the development of commissioning plans and savings proposals to meet the targets in this report. Each Committee will need to be in a position to

recommend commissioning plans and draft budget proposals to Policy and Resources Committee on 2 December, ahead of consultation.

5. IMPLICATIONS OF DECISION

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

5.1.1 This report relates to the Council's Medium Term Financial Strategy (MTFS) and annual Finance and Business Planning process. In March 2014, the Council set a two year MTFS covering the period 2014-15 to 2015-16. Following local elections in May, and the formation of a new administration for Barnet Council, this report sets out the process for refreshing the Corporate Plan and priorities, and the process for setting a budget and medium term financial strategy extending through from 2016 through to 2020.

5.1.2 In addition to continued austerity, demographic change and the resulting pressure on services poses a significant challenge to the Council. The organisation 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 is allocated to the infrastructure reserve as a contribution towards these costs.

5.2 Legal and Constitutional References

5.2.1 All proposals emerging from the business planning process are considered in terms of the Council's legal powers and obligations (including, specifically, the public sector equality duty under the Equality Act 2010) and, where appropriate, mechanisms put into place to ensure compliance with legal obligations and duties and to mitigate any other legal risks as far as possible.

5.2.2 Constitution, Part 3, Responsibility for Functions – Section 3

5.3 Risk Management

5.3.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. Risk management information is reported quarterly to the Board and to Committees and is reflected, as appropriate, throughout the annual business planning process.

5.3.2 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 2014/15 and 2015/16. This announcement also indicated that austerity is likely to continue until the end of the decade as the Government continues to reduce public spending as it cuts the UK's budget deficit. Current modelling suggests that this is likely to equate to a further reduction of £72m to the Council's budget by 2019/20. For this reason, it is important that the Council continues to be prudent with its use of reserves and contingency to mitigate future cuts.

5.3.3 The challenges set out in this report require fundamental change in the way Council services are delivered, which impacts on the human resources of the organisation and related policies and practices. This process will be managed in conjunction with Trade Unions and staff.

5.4 Equalities and Diversity

5.4.1 Equality and diversity issues are a mandatory consideration in the decision-making of the Council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the Finance and Business Planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.

5.4.2 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

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

5.5 Consultation and Engagement

5.5.1 As set out above.

6. BACKGROUND PAPERS

6.1 Appendix A – Priorities and Spending Review 2014 - Policy and Resources Committee - 10 June 2014.

6.2 Appendix B – Community Leadership Committee briefing pack

	<p>Policy and Resources Committee</p> <p>10 June 2014</p>
<p style="text-align: right;">Title</p>	<p>Finance and Business Planning – Corporate Plan and Medium Term Financial Strategy 2015/16 to 2019/20</p>
<p style="text-align: right;">Report of</p>	<p>Andrew Travers, Chief Executive Chris Naylor, Chief Operating Officer Kate Kennally, Strategic Director of Communities Pam Wharfe, Strategic Director of Environment & Growth</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1: Medium Term Financial Strategy 2015-20 Appendix 2: Priorities and Spending Review Report</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>John Hooton, Deputy Chief Operating Officer, 020 8359 2460</p>

Summary

This report seeks approval from Policy and Resources Committee on the following:

- a) The process for Theme Committees to develop commissioning priorities for the period 2015-20 which will come back to this committee in December 2014 to form the basis of a refreshed Corporate Plan;
- b) The process for Theme Committees to develop savings proposals to meet the financial challenges over the period 2015-20 which will come back to this committee in December 2014; and
- c) The allocation of transformation funding to support the delivery of savings plans.

Recommendations

- 1.1 That Policy and Resources Committee note the updated Medium Term Financial Strategy up to 2020 as set out in Appendix A and the assumptions underpinning this in section 1.3;**
- 1.2 That Policy and Resources Committee note the Priorities and Spending Review report as set out in Appendix B;**
- 1.3 That Policy and Resources Committee agree the process for updating the Corporate Plan, through the development of commissioning plans by Theme Committees, as set out in section 1.5;**
- 1.4 That Policy and Resources Committee agree the allocation of savings targets set out in section 1.6, along with the preferred option for allocating the remaining budget gap;**
- 1.5 That Policy and Resources Committee agree the draw-downs from the transformation reserve as set out in paragraph 1.7.2; and**
- 1.6 That Policy and Resources Committee agree the approach to consultation as set out in section 1.10.**

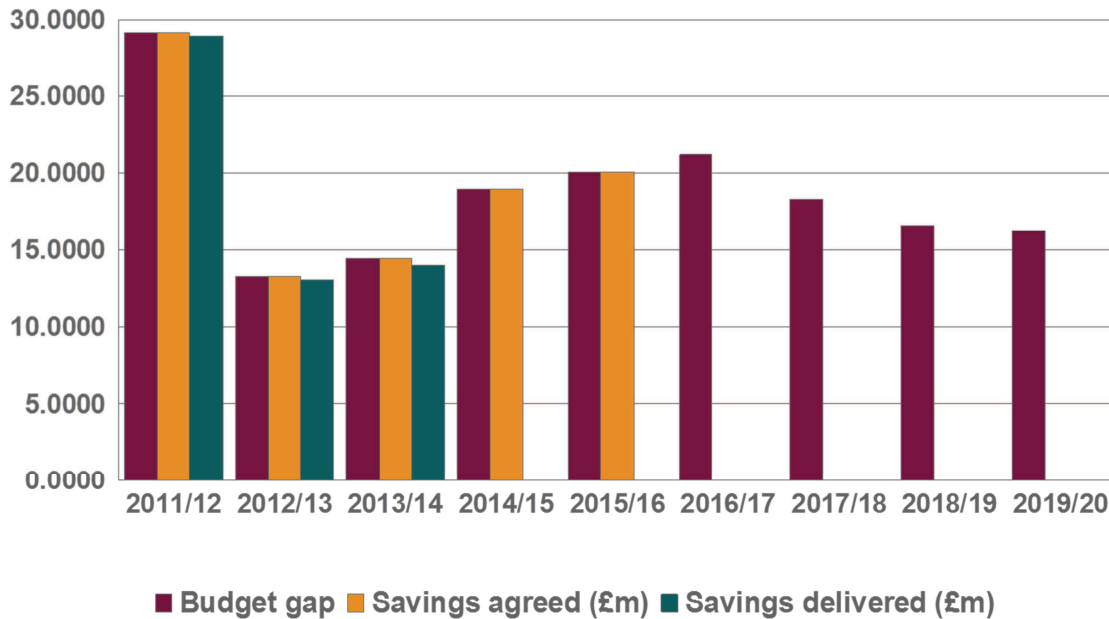
1. WHY THIS REPORT IS NEEDED

1.1 Executive Summary

- 1.1.1** In March 2014, the Council set a Corporate Plan and Medium Term Financial Strategy covering the period 2014/15 and 2015/16. The MTFs for this period includes savings proposals totalling £39m which, will produce a balanced budget position.
- 1.1.2** Following the local elections in May, this report sets out the process for re-defining the Corporate Plan priorities, and the process for setting a Medium Term Financial Strategy through to 2020. Following the move to a committee form of governance, this report also sets out the process by which Theme Committees will contribute to this process and enable the Policy and Resources Committee to set a Corporate Plan and Medium Term Financial Strategy for consultation in December 2014.
- 1.1.3** This report sets out the budget gap for 2016 through to 2020, which is estimated at a further £72m. Given the scale of cuts already made to local government budgets, this represents a huge challenge for the organisation to address.

1.2 Strategic Context

- 1.2.1 The financial position of Local Government is extremely challenging, despite recent improvements in the UK economy. Growth has been slower than originally projected at the 2010 Spending Review. When the Coalition Government first sets its spending plans and deficit recovery programme, it was projected that the annual budget deficit would be eradicated by 2015. This target has been missed, and it is now expected to be in balance by 2018. Public sector debt as a % of GDP is not currently expected to start falling until 2016/17.
- 1.2.2 The Government is committed to addressing the budget deficit primarily by cutting expenditure (80%) compared to increasing taxation (20%). Of the total £732bn annual government expenditure, approximately half of this is “non-departmental” spend, primarily welfare and pensions, which is driven by demand. Welfare expenditure has already been subject to significant cuts. Of the remaining “departmental” expenditure, over 50% of this is protected as it relates to the NHS, schools, defence equipment and overseas aid. Local government, along with transport, police, skills, universities and defence, sits in the remaining non-protected expenditure group. For this reason, a disproportionate level of cuts will continue to fall on Local Government until the end of the decade.
- 1.2.3 In spite of the on-going financial challenges, the Council continues to provide high quality services to residents. Resident satisfaction with the Council has increased by 21% since 2010. Compared to 2010, residents think the Council is doing a better job, offering better Value for Money, is working to improve the local area, listening to concerns of local residents and responding quickly when asked for help. In addition, 91% of primary schools and 86% of secondary schools in Barnet are rated as ‘good’ or ‘excellent’ by Ofsted – among the best in the country - and Adults and Children’s services are recognised as ‘excellent’ by external inspectors. The Borough remains an attractive and successful place to live, with 87% of residents satisfied with their local area.
- 1.2.4 Over the period 2011-15, the Council has worked hard to reduce costs, cut waste, and improve efficiency. Over that period, a total of £75m of annual savings have been found in Council budgets. Tough decisions have been made, including outsourcing support services, setting up joint ventures and shared service arrangements to reduce costs and/or increase income, and better managing demand for social care. Importantly however, the Council is only half way through a decade of austerity, and therefore further work needs to be done to balance the budget to 2020. The graph below shows the scale of the challenge the Council has already faced, and the challenge that will continue to the end of the decade.



1.2.5 The Council's future regeneration programme will see £6bn of private sector investment over the next 25 years to ensure that the Borough remains an attractive place to live and do business. This will create around 20,000 new homes and up to 30,000 new jobs across the Borough and generate £5.6m of recurrent income for the Council by 2020 and one off income of £50m to be reinvested in infrastructure.

1.2.6 Residents from across the Borough will continue to share in the benefits of growth, with increasing housing development leading to an increase in the tax base and, subsequently, lower Council tax bills for residents. During these challenging times, the Council does not want to increase financial the burden on families and individuals. This is why the Council has frozen Council Tax from 2010-11 and 2013/14, and reduced Council Tax by 1% in 2014/15.

1.3 Medium Term Financial Strategy update

1.3.1 **Appendix A** sets out the Medium Term Financial Strategy for Barnet Council through to 2020, taking into account the national economic context such as government spending cuts and inflation, along with local factors such as population and demand pressures. The headline figure is a budget gap of a **further £72m for 2016-20** beyond the current Medium Term Financial Strategy which covers the period 2014-16.

1.3.2 This budget gap that the Council faces includes assumptions about levels of expected Government grant, future levels of business rates and changes to the Council Tax base, along with a range of other assumptions about pay and non-pay inflation, future levies and other risks.

- 1.3.3 Modelling has been undertaken to understand the potential impact of growing demand on the council's budget resulting from demographic change and taking into account a range of factors including population increase, inflation and likely legislative changes. An allowance has been included within the budget envelope for demographic growth in line with population projections.

Implications of the Care Bill

- 1.3.4 It is important to note that this projection does not currently include the additional costs associated with the implementation of the Care Bill. Considerable uncertainty still exists in respect of the costs and associated funding of these changes. As a result of these legal changes that come into effect in April 2015, it is likely that there will be a considerable number of users and carers that will come forward for assessment, resulting in additional costs of both assessment and delivery of care. These costs, taken together, could be in excess of £10m per annum. The Government has a clear protocol in respect of new burdens and provision of funding to meet these, so it is hoped that the Care Bill will not result in additional costs for the Council. However, there is a significant risk that this may not be the case, and therefore the Council's reserves and contingency position must remain prudent.

Budget assumptions

- 1.3.5 The assumptions within the budget envelope are as follows:

- **Demographic pressures** – an assumption has been made in the budget envelope for future demographic pressure particularly for Adults and Children's Social Care costs.
- **Inflation (pay):** in line with the Local Government pay award for 2013/14, a 1% increase in pay is assumed for future years;
- **Inflation (non-pay):** Figures from the Office for Budget Responsibility (OBR) for inflation have been used to estimate the increase in non-pay costs;
- **North London Waste Authority levy:** figures for the NLWA levy are based on published figures for the period from 2014-16 and projected levy increases based on the waste disposal procurement exercise for the period from 2016-20;
- **Capital financing costs:** the current provision of capital financing costs is currently set in excess of actual spend until 2016 due to recent capital slippage, and a provision has been added beyond that point;
- **Contingency:** from 2016/17 a conservative estimate of £500k has been included in contingency;
- **Council tax support:** Over the next 2 years there are significant changes expected due to welfare reforms. Provision has been set aside in 2014/15 and 2015/16 for potential increases in these costs related to Council Tax increases or increases in take up;
- **Concessionary fares:** increases have been projected in line with demographic changes of 60+ in Barnet.
- **Public Health** allocations have been assumed to increase in line with GDP, the increase in expenditure shown here nets off against the amount

earmarked for the service itself, so has a neutral effect on the Medium Term Financial Strategy ;

- Future allocations of **New Homes Bonus** are projected in line with known developments in the borough, and is currently transferred to balances to build up the infrastructure reserve, so has a neutral effect on the Medium Term Financial Strategy ;
- **Business rates**: there has been no growth assumed in business rates. An increase in yield has been estimated in line with inflation;
- **Business rates top up grant**: the business rates top up grant is assumed to increase in line with inflation;
- **Revenue Support Grant**: the assumption for the reduction in RSG is such that the reduction in the total quantum of retained business rates and RSG is approximately £10m per annum;
- **Council Tax**: a Council Tax freeze has been factored into the Medium Term Financial Strategy for 2015/16 and 2016/17, with an increase of 2% per annum beyond that point. The Council tax baseline takes into account current developments and regeneration schemes where developers are in place. It does not take into account schemes that are proposed, but where developers are not yet in place;
- **LACSEG and Council Tax & Housing benefit administration grants** have been assumed to reduce by 10% in line with previous reductions of specific grants; and
- The **PFI credit** is fixed and no change has been factored in.

1.3.6 Policy and Resources Committee are asked to note the assumptions set out above.

1.4 The Barnet Priorities and Spending Review

1.4.1 The scale of the challenge is huge. Saving another £72m from the Council's annual budget will require a fundamental shift in the way public services are delivered. Such a scale of change will take time to deliver, and for this reason it is vitally important that the Council has a plan for the future, and this plan stretches not just a couple of years in advance, but for the next 5 years to 2020. As agreed in the budget report to Cabinet in July 2013, Council officers have undertaken a review of budgets, spending and potential opportunities to make further savings over the period 2016-20. This report is set out at **Appendix B**.

1.4.2 The Barnet Priorities and Spending Review has been a process led by officers. It has been informed by public consultation, and officers have engaged with all three main political parties over the last 12 months. This report sets out options for the theme committees to consider in developing their responses to future budget challenges. It is important to note that no decisions on future budget savings are being made in this report, this report sets out options for members to consider through Council committees informed by consultation with residents.

1.4.3 The PSR is proposing a number of options to be considered by committees in responding to the budget challenge. They are set out below, with the PSR report appended to this document.

Efficiency – there are opportunities for the Council to become more efficient without discernibly affecting the quality of services to residents. The PSR has identified options as follows:

A series of measures to improve workforce productivity including a review of all terms and conditions and costs of management;

Further scope to drive down the cost of suppliers and contracts;

Reductions in accommodation costs if we modernise working practices and share buildings with other public sector bodies, such as the NHS;

Increasing energy efficiency across the Council estate;

Reducing subscription costs and membership fees to a minimum across the Council;

Consider the alternative options for the delivery of waste collection, recycling, street cleansing and grounds maintenance services to improve outcomes at lower cost; and

Adults and Safeguarding Committee to consider the level of integration of health and social care services and how this should be governed.

Growth & Income – the PSR has identified a number of options to increase revenue from growth and income.

There are opportunities for regeneration and measures to boost local economic growth to increase the Council's residential and commercial tax yield. There are also opportunities to raise additional income from fees and charges in a way that is fair to all residents and users of services.

Modelling predicts that business growth and the development of new homes over the next 5 years will raise almost £5m in additional tax to fund services.

The PSR also invites committees to consider legally viable options for fees and charges by 2% above inflation from 2016/17 to 2019/20 which would raise additional income.

Regeneration will also help reduce future demand on services – effective design of new communities will help support independence and avert social care costs.

Reducing demand, promoting independence – with less money and rising demand, the Council and residents will need to behave differently. The Council will need to focus on backing residents to help themselves and each other, providing different support and guidance where needed with the aim of reducing reliance on the state and investing in preventive services, alongside residents taking greater personal and civic responsibility. The PSR has identified options as follows:

More money could be spent on measures to support residents to live for longer in their own homes, increasing disabled facilities grants and funding for housing adaptations, and measures to build more extra care housing, as well as providing more support to carers to carry on caring.

Measures can be taken to increase the number of children and young people living in Barnet foster homes, and providing enhanced support to prevent placements breaking down and triggering more expensive residential placements.

Encouraging greater levels of recycling will reduce the overall cost of sending waste to landfill, with consideration to be given to the frequency of waste collection to help achieve this.

Service redesign – Adopting a first principles approach to how the Council fulfils a number of its statutory and non-statutory obligations to reduce services in a way that better targets support to those that use services and reduce cost. The PSR has identified options as follows:

An evidence led review of Barnet libraries to identify a new model of library services which utilises the latest technology to increase efficiency whilst maintaining a comprehensive network.

Early Years: Improved targeting of early years support to ensure a reduction in the number of children and young people entering social care.

Children, Education, Libraries and Safeguarding Committee invited to consider the option of an alternative delivery model for the Education and Skills service, in order to ensure the continued provision of high quality services through a partnership approach that brings together resources from different sectors.

1.5 Commissioning Plans and the Corporate Plan

1.5.1 The Corporate Plan is the overarching strategic document for the Council, setting out its commissioning priorities and objectives. The latest Corporate Plan which covers the period 2014-15 to 2015-16 was published in April and has been revised to reflect the new freedoms offered by the Localism Act.

- 1.5.2 Following the local elections in May, the Corporate Plan needs to be updated. Following the creation of the new committee system, there is an opportunity for these committees to set the future direction of the Council. It is therefore proposed that Theme Committees agree commissioning plans for the period 2015-20, which will be reported back to Policy and Resources Committee in December 2014 as part of a refreshed Corporate Plan.
- 1.5.3 The tone of the Corporate Plan will be guided by an overall narrative of Barnet being a place:
1. Of **opportunity**, where people can expect a **good quality of life**
 2. Where **responsibility is shared, fairly**
 3. Where **services will be transformed** by a smaller, smarter public sector
 4. Where people are **helped to help themselves**

1.6 Budget envelopes for Theme Committees

- 1.6.1 Forward planning to identify opportunities for improving efficiency, and growing the local tax base in particular, will minimise the need for future cuts in service provision. This report recommends that theme committees are allocated a savings target for the period 2016-20 in line with the potential opportunity areas identified in the Priorities and Spending Review report. The opportunity areas for each committee are as follows:

Adults and Safeguarding Committee £12.6m

- Improving efficiency – c£4.7m including:
 - Measures to improve workforce productivity, reviewing terms and conditions and management overheads; and
 - Re-procuring key contracts and improving contract management to drive down the cost of suppliers and contracts.
- Reducing demand and promoting independence – c£6.9m including:
 - Measures to help older people with dementia live longer at home;
 - Providing more support to younger people with learning difficulties so that they are better placed to support themselves in early adulthood;
 - Focusing social care assessment processes so that those most in need get the most extra support; and
 - Increasing disabled facilities grants, housing adaptations and building more extra care housing.
- Redesigning services – c£1.0m including:
 - Integrating service provision and commissioning with the NHS so that conditions associated with frail elderly residents are managed and supported more effectively.

Children, Education, Libraries and Safeguarding Committee £8.0m

- Improving efficiency – c£2.3m including:
 - Measures to improve workforce productivity, reviewing terms and conditions and management overheads; and

- Re-procuring key contract and improving contract management to drive down the cost of suppliers and contracts.
- Reducing demand and promoting independence – c£0.5m including:
 - Measures to increase the number of children and young people living in local Barnet foster homes and providing enhanced support to prevent placements breaking down and triggering more expensive residential placements.
- Redesigning services – c£5.1m including:
 - Considering the option of an alternative delivery model for the Education and Skills service, in order to ensure the continued provision of high quality services through a partnership approach that brings together resources from different sectors; ;
 - Improved targeting of early years support to ensure a reduction in the number of children and young people entering social care; and
 - An evidence led review of the Library service to consider a new model of library services, utilising the latest technology to reduce overheads whilst maintaining a comprehensive network.

Environment Committee £5.9m

- Improving efficiency – c£2.4m including:
 - Measures to improve workforce productivity, reviewing terms and conditions and management overheads;
 - Re-procuring key contracts and improving contract management to drive down the cost of suppliers and contracts; and
 - Examining how alternative delivery models may deliver improved outcomes for waste, recycling, street cleansing and grounds maintenance at lower cost; and
 - Affecting changes in the management and costs of disposing waste.
- Reducing demand and promoting independence – c£2.7m including:
 - Working with residents and community groups to achieve a reduction in the amount of waste generated and considering the frequency of waste collection to help achieve this.
- Promoting growth and raising income – c£0.8m including:
 - Exploiting commercial opportunities to sell services to businesses and private land owners; and
 - Increasing income from better utilisation across the parks and open spaces asset portfolio.

Assets, Regeneration and Growth Committee £10.1m

- Improving efficiency – c£4.5m including:
 - Reducing the costs of office accommodation and increased income for Council assets;
 - Increasing energy efficiency of the Council estate;
 - Re-procuring key contracts and improving contract management to drive down the cost of suppliers and contracts; and
 - Capitalisation of regeneration related expenditure.
- Promoting growth and raising income – c£5.6m including:
 - Growing the Council's residential and business related tax base from regeneration and development activity.

Community Leadership Committee £0.8m

- Improving efficiency - c£0.2m including:
 - Operational efficiencies in delivering the borough's CCTV services
 - Cancellation of the MOSAIC contract and using resources provided by the Council's Customer and Support Group.
- Promoting growth and raising income – c£0.6m including:
 - Considering moving to a full cost recovery model for the borough's CCTV services.

Health and Wellbeing Board £0.7m

- Improving efficiency - £0.7m including:
 - Re-procurement of sexual health services across the borough.

Policy and Resources Committee £12.7m

- Improving efficiency – c£9.2m including:
 - Measures to improve workforce productivity, reviewing terms and conditions and management overheads (including sharing posts with other Councils);
 - Re-procuring key contracts and improving contract management to drive down the cost of suppliers and contracts;
 - Reducing subscription costs and membership fees to a minimum across the Council;
 - Rationalising IT and printing costs across the Council;
 - Bearing down on redundancy costs;
 - Reducing financing and borrowing costs;
 - Sharing corporate services (for example emergency planning, audit, business continuity) with another Council; and
 - Review of Councillor allowances.
- Promoting growth and raising income – c£3.4m including:
 - Increasing fees and charges where legally permissible by 2% above inflation; and
 - Considering changes to Council Tax Support and the level of contribution from those eligible for support.

1.6.2 The opportunity areas set out above provide the basis for savings targets to be set for each theme committee, summarised as follows:

Committee	Total budget for theme committee (£m)	Total of potential savings (£m)	% saving against budget	Allocation of remaining gap (£m)
Adults and Safeguarding	81.2	12.6	16%	5.4

Children, Education, Libraries and Safeguarding	49.9	8.0	16%	3.4
Environment	33.5	5.9	18%	2.5
Community Leadership	1.7	0.8	48%	0.3
Health and Wellbeing Board	14.3	0.7	5%	0.3
Policy and Resources	91.7	12.6	24%	5.4
Assets, Regeneration and Growth	5.2	10.1		4.3
Total	280.6	50.8		21.6

1.6.3 These opportunity areas enable £51m of savings to be made against a budget gap to 2020 of £72m. To enable the gap to be closed in full, Policy and Resources Committee will need to decide how to allocate this gap. The options are either:

- a) To allocate the remaining £21m gap to committees in the same proportion as the savings targets set out above; or
- b) To hold the remaining £21m gap within the Policy and Resources Committee remit and review the approach to Council Tax increases. An increase of approximately 4% per annum over and above current assumptions would see the gap closed.

1.6.4 In working up proposals, Committees will need to consider the legality of options, and also have regard to the equalities impact.

Implications of PSR savings proposals for Delivery Units

1.6.5 It is important for the committee to have regard for the impact of these savings targets in terms of delivery unit budgets. This analysis, along with the percentage of total budget, is set out below:

Delivery Unit	Total budget (£m)	Total of potential savings (£m)	% saving against
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			budget
Adults and Communities	82.0	13.5	16%
Assurance	3.8	0.5	12%
Commissioning Group	6.8	1.3	19%
CSG	20.1	4.6	23%
Education and Skills Non-DSG	5.8	0.9	15%
Family Services Non-DSG	44.1	7.2	16%
Street scene	33.5	5.9	18%
Re	0.5	2.7	*
Public Health	14.3	0.7	5%
Other (central expenses, Council Tax increases)	69.7	13.6	20%
Total	280.6	50.8	

* The Re budget is nearly net £nil due to income raised from services, so the comparison between budget and savings is not applicable.

1.6.6 This report sets out the opportunity areas for future savings to be made. It looks to maximise opportunities for further back office savings, and savings from growth of the tax-base, thus minimising the impact on front-line services. Policy and Resources has the highest quantum of savings to find from the commissioning group, assurance, customer and support group and central expenses. The Assets, Regeneration and Growth Committee has a significant target representing opportunities to grow Council Tax receipts from regeneration activity, and opportunities to reduce costs of office accommodation. The Adults and Safeguarding committee has a high savings target, but it also has the largest budget area, so the percentage saving is lower than for back office services. Similarly the savings percentages for Family Services and Education and Skills are lower than for back office services.

1.7 Current budgetary position and Medium Term Financial Strategy 2014-16

- 1.7.1 The 2014-16 medium term financial strategy was agreed by full Council on 2 March 2014. While the 2013/14 outturn position is expected to report a balanced position, pressures exist in respect of the delivery of services in the current budget envelope. Demographic pressures exist in Adults and Children's social care. Pressures exist within the Streetscene budget as a result of the parking judicial review and the increased costs of disposal of recyclates. The Performance and Contract Monitoring Committee will monitor this position throughout the year and take action as appropriate to address any issues arising.
- 1.7.2 The transformation reserve has been set aside by the Council to fund programmes and projects to deliver savings and improve service performance. While this report primarily deals with the process for delivering budgets for the period 2016-20, considerable challenges remain in delivering agreed savings for 2015/16 and implementing legislative change within the agreed medium term financial strategy. It is recommended that the following draw-downs are approved:
- **Family Services:** A drawdown of £1m, to ensure that the Family Services department continues to deliver the required level of performance for statutory services. In addition, this programme sets out to develop services to meet current need, encourage and develop targeted early interventions, to provide efficient processes and structures across the Delivery Unit, to reduce the social care placements bill and deliver Medium Term Financial Strategy savings of £6.2m.
 - **Adults and Communities:** A drawdown of £550k to support Adults and Communities Delivery Unit in preparing for the implications of the anticipated Care Act, improving access to services, increasing capacity to support individuals in the community and manage growing demand for services. In addition, this transformation programme will deliver a range of projects to deliver £8.4m of savings in the Medium Term Financial Strategy for 2015/16.
 - **Education and Skills:** A drawdown of £150k to research options to improve service provision, identify potential savings in 2015/16 and beyond and seek options to improve support to schools in future years.
 - **Streetscene:** Cabinet Resources Committee (2 April) approved the in sourcing of the Go Plant transport contract, delivering savings of £125k in 2014/15 and further savings in later years. To achieve this saving a drawdown of £200k is requested related to project management and HR activities.
 - **Smarter Working:** A drawdown of £160k to support the integration of workforce changes, IT systems, and office accommodation to enable further

savings. This programme will develop detailed options and proposals to transform how the Council's employees and promoting mobile working.

- **Portfolio and Programme Management:** The funding of a Portfolio Management function and Programme Management Office (PMO) to will oversee and support delivery of projects, efficient resourcing, improving how the Council manages changes and providing a focus on delivery of benefits. This is the continuation of PMO funding from previous years, to enable delivery of the Medium Term Financial Strategy and support identification and delivery of a further £70m base budget savings. A requested drawdown £1.7m to fund this function in 2014/15 and 2015/16.

1.8 Capital Programme

- 1.8.1 The Medium Term Financial Strategy includes provision for future capital expenditure on Council priorities through to 2020. It is important to note that some priorities, such as school places, are funded in full to the end of the decade. Other priorities, such as housing, investment in roads and pavements, and rolling/cyclical programmes of maintenance, will need to be considered for 2016-20. Theme committees should consider their capital requirements as part of their budget proposals and feed these back to Policy and Resources Committee in October. Policy and Resources Committee will receive a report in October that considers options for the future capital programme alongside a review of contingency and reserves balances.

1.9 Timetable

- 1.9.1 Theme Committees will be supported by officers throughout the summer and autumn to develop their response to these targets, agree a package of proposals by November, to enable a draft medium term financial strategy for the Council to be set by Policy and Resources Committee in December 2014.
- **June:** Finance and business planning process commences. Each Theme Committee receives a report on the budget and business planning process, the budget envelope to 2020, and a summary of potential savings opportunity. Each Committee is asked to develop commissioning priorities and proposals to inform a new Corporate Plan, commissioning strategy for the Committee, and savings proposals.
 - **July – September:** Each Theme Committee initiates working group(s) to work with Officers to identify commissioning priorities and budget savings.
 - **October – November:** Each Theme Committee to agree draft commissioning priorities and savings proposals, for submission to Policy and Resources Committee in December.
 - **December:** Policy and Resources Committee (2 December)

1.10 Consultation

1.10.1 Consultation has already commenced to enable the Council to plan for the future, and will continue as options set out in this report are considered further. Consultation follows three broad phases:

- a) Phase 1 – Citizens’ panels and focus groups have targeted service users, businesses and some protected characteristic groups to gauge residents’ views about local services and priorities.
- b) Phase 2 – the “Call for Evidence” is on-going. This has involved online channels, asking local and national commentators and stakeholders for views on how we meet future challenges, and ensures this thinking is informed by best practice. It was suspended in purdah, and re-opened on 27th May. The findings of phases 1 and 2 will be shared through Theme Committees in July to inform decision making.
- c) Phase 3 – consultation on specific savings proposals will commence as they are formulated. Theme committees will run consultation on groups of ideas over the summer/autumn to inform proposal development. Individual consultation on specific proposals will take place following agreement of a draft Medium Term Financial Strategy and Corporate Plan at Policy and Resources Committee in December.

1.10.2 Existing Medium Term Financial Strategy savings for 2015/16 are planned for Education and Skills. To facilitate the development of a business case for these savings which will come back to committee in the autumn, the Policy and Resources Committee is asked to approve consultation with stakeholders for this specific saving proposal.

1.10.3 The Policy and Resources Committee is asked to agree this approach to consultation.

2. REASONS FOR RECOMMENDATIONS

2.1 As set out in the report above, Local Government is facing significant cuts in funding which will require a fundamental change to the way services are delivered by 2020. Such a scale of change takes time to deliver, and for this reason it is vitally important that the Council has a plan for the future, and this plan stretches not just a couple of years in advance, but for the next 5 years to 2020. As agreed in the budget report to Cabinet in July 2013, Council officers have undertaken a review of budgets, spending and potential opportunities to make further savings over the period 2016-20. This report feeds back on that process, and makes recommendations for committees to take this forward.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 This report in itself does not ask that members make any decisions on specific savings options; rather it sets out a process for engaging all members and theme committees in the development of budget proposals for the period up to 2020.

4. POST DECISION IMPLEMENTATION

- 4.1 Following approval of these recommendations, reports will be taken to theme committees to enable them to consider the development of commissioning plans and savings proposals to meet the targets in this report. These committees need to be in a position to recommend commissioning plans and draft budget proposals to Policy and Resources Committee on 2 December for consultation.

5. IMPLICATIONS OF DECISION

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

- 5.1.1 This report covers the Council's Medium Term Financial Strategy and annual business planning process. In March 2014, the Council set a two year Medium Term Financial Strategy covering the period 2014-15 to 2015-16. Following the local elections in May, this report sets out the process for re-defining the corporate plan and priorities, and the process for setting a budget and medium term financial strategy extending through from 2016 through to 2020.

- 5.1.2 In addition to continued austerity, demographic change and the resulting pressure on services poses a significant challenge to the Council. The organisation 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 is allocated to the infrastructure reserve as a contribution towards these costs.

5.2 Legal and Constitutional References

- 5.2.1 All proposals emerging from the business planning process need to be considered in terms of the Council's legal powers and obligations (including, specifically, the public sector equality duty under the Equality Act 2010) and, where appropriate, mechanisms put into place to ensure compliance with legal obligations and duties and to mitigate any other legal risks as far as possible.
- 5.2.2 Constitution, Responsibility for Functions, Annex A, sets out the terms of reference of the Policy and Resources Committee.

5.3 Risk Management

- 5.3.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. Risk management information is reported quarterly to Committees and is reflected, as appropriate, throughout the annual business planning process.
- 5.3.2 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 2014/15 and 2015/16. This announcement also indicated that austerity is likely to continue until the end of the decade. Current modelling suggests that this is likely to equate to further annual reductions of between £15m and £20m to the Council's budget. For this reason, it is important that the Council continues to be prudent with its use of reserves and contingency to mitigate against future cuts.
- 5.3.3 The challenges set out in this report require fundamental change in the way Council services are delivered, which impacts on the human resources of the organisation and related policies and practices. This process will be managed in conjunction with Trade Unions and staff.

5.4 Equalities and Diversity

- 5.4.1 Equality and diversity issues are a mandatory consideration in the decision-making of the Council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.
- 5.4.2 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
- 5.4.3 Similarly, all human resources implications will be managed in accordance with the Council's Managing Organisational Change policy that supports the Council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.

5.5 Consultation and Engagement

- 5.5.1 As set out above.

6. BACKGROUND PAPERS

- 6.1 None

Medium Term Financial Strategy	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Budget brought forward	282,313	273,361	266,453	260,770
Statutory/cost drivers				
Inflation (pay)	1,097	1,108	1,119	1,130
Inflation (non-pay)	3,309	3,376	3,443	3,512
Inflation 2% increase fees & Charges	(500)	(500)	(500)	(500)
North London Waste Authority (NLWA) levy	982	999	1,017	1,035
Capital financing costs	1,900	1,900	1,900	1,900
Statutory/cost drivers sub-total	6,788	6,883	6,979	7,077
Central Expenses				
Contingency - general risks	500	500	500	500
Concessionary Fares	227	255	292	346
Public Health Grant	344	382	392	371
Central Expenses sub-total	1,071	1,137	1,184	1,217
Balances to/(from) reserves				
Specific reserves contribution 2015/16 NHB	(10,291)			
Specific reserves contribution 2016/17 NHB	10,735	(10,735)		
Specific reserves contribution 2017/18 NHB		10,548	(10,548)	
Specific reserves contribution 2018/19 NHB			9,897	(9,897)
Specific reserves contribution 2019/20 NHB				7,583
Reserves sub-total	444	(187)	(651)	(2,314)
Total expenditure	290,616	281,194	273,965	266,750
New Formula grant funding				
Business Rates	36,672	38,028	39,473	41,013
Business Rates- Top up	18,904	19,603	20,348	21,142
Revenue Support Grant (RSG)	40,000	30,000	20,000	10,000
New Formula grant sub-total	95,575	87,631	79,821	72,154
Council Tax				
Council Tax (CT)	143,352	146,353	149,203	152,531
CT freeze grant 15-16	1,647			
Core grants				
Private Finance Initiative (PFI) credit	2,235	2,235	2,235	2,235
Education Services Grant	3,210	2,889	2,600	2,340
NHB	10,735	10,548	9,897	7,583
Housing and CT Benefit Administration Grant	1,928	1,735	1,562	1,405
Public Health	14,679	15,061	15,452	15,823
Other funding sub-total	177,786	178,821	180,949	181,918
Total Income from grant and Council Tax	273,361	266,453	260,770	254,072
Proposed Pressures	3,992	3,583	3,382	3,593
Budget Gap before savings & pressures	17,254	14,741	13,194	12,677
Proposed Savings	(21,246)	(18,324)	(16,576)	(16,270)
Budget Gap after savings	0	0	0	0

14,550
57,867

(72,417)

London Borough of Barnet

**Priorities & Spending Review 2014:
Options for the new Council**

June 2014

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Introduction

There is no getting away from the fact that the economic challenges the UK has faced over the past few years have had a significant impact on organisations across the public, private and voluntary sectors and on citizens up and down the country. For Local Government, the unprecedented squeeze on public spending, coupled with rising demand for services, has made the scale of the challenge particularly acute. The last 5 years have been undeniably difficult and – as this report will explore – the signs are that this will continue until the end of the decade.

2. In Barnet, the council has approached these challenges in a sensible and planned way and has always sought to manage the council's finances responsibly. As a result, not only has a level of relative protection been provided to the most vital front line services up to now, the council has created headroom to invest in issues that residents care about – green spaces; schools; housing; transport and infrastructure; and helping young people to find jobs. Tough decisions have been required but, by facing up to the challenge in this way, Barnet has built a solid platform from which to successfully negotiate the next few years.

3. Looking to the future, it is clear that further tough decisions will be required if the council – and the wider public sector in Barnet – is to live within its means. However, it is not all doom and gloom. The UK economy is now expanding and London in particular is expected to grow strongly over the latter half of the decade. As it does so, it will create a real opportunity for the borough of Barnet and for its residents and businesses – an opportunity to share in the benefits of this growth, regeneration and, ultimately, success.

4. The benefits of growth are already being felt locally in Barnet, through the regeneration of areas such as Colindale and Grahame Park and with the major redevelopment of Brent Cross Cricklewood due to start soon. This regeneration is vital for the future of the borough and will provide new homes for Barnet's residents, space for businesses, create thousands of new jobs and revitalise communities across the borough. The council will work to ensure that full advantage is taken of this opportunity, so that Barnet continues to be a successful borough, as part of a successful, global city.

5. Although much of this success and opportunity will happen without any intervention from the council, it does have a role in ensuring that growth happens responsibly and that Barnet's distinctive characteristics and those things that 'make Barnet, Barnet' – its schools and green spaces – are maintained. But it is also important that this opportunity is to the benefit of all residents of Barnet. As such, not only will the council play a role in helping to maintain the right environment for a successful and thriving borough, it will also need to work more closely with other parts of the public sector – such as the NHS and Job Centre Plus – to identify those residents at risk of missing out and provide the right interventions when they are needed.

6. By helping people to help themselves, it will reduce dependence on local services and on the ever diminishing resources available. In that sense, not only is enabling independence the right thing to do for Barnet's residents, it is also an essential part of managing the financial challenges facing the council.

7. As the council approaches the challenges and opportunities of the next few years, a new relationship with Barnet's residents will emerge. As the council's Residents Perception Survey consistently shows, Barnet benefits from strong, cohesive communities and a sense of people looking out for each other and getting involved in local activities. It is crucial that this develops over the years ahead – not simply because the council will need to scale back its activities in some areas, but because, in many cases, residents know best about what is right for their neighbourhoods. Enabling greater community participation will therefore be a priority for the council, alongside doing more to understand the needs of local communities and engage effectively with them; becoming more transparent; and involving residents in the services they use.

8. This report marks the end of the **Barnet 'Priorities and Spending Review' (PSR)** – a 12 month, bottom up process of analysis, evidence gathering and ideas generation to determine the likely impact of further austerity and increasing demand on the borough and, most importantly, to identify some of the changes that will be required to allow the council to live within its means and continue to provide vital services. Not only will the council need to become more efficient, the scale of the challenge also necessitates a closer relationship between the council and the wider public sector to integrate and reconfigure local services around the needs of residents.

9. The PSR represents a considered, rational process for developing a range of options for meeting the projected gap in the council's finances – which is forecast to be **£72 million** between 2016 and 2020 - rather than taking decisions in an arbitrary, top down way. The report sets out a package of options for the council to save money and raise revenue, which has the potential to provide a financial benefit of approximately **£51 million** and go a long way towards closing the £72 million budget gap.

10. Some of these options will require up-front investment and a focus on **preventative action** in order to unlock future savings. Some ideas focus on **changing the behaviour of residents in order to reduce demand on services**. Some will require the council to work differently as an organisation and more closely with other parts of the public sector – both locally and regionally – to become **more efficient** and provide **better, more integrated services**. And some will require the council to stop doing some things entirely as it **prioritises the resources it has available** – either because they are less of a priority or because someone else can do it better.

11. It will be for elected Councillors – as representatives of Barnet's residents – to determine which of these options, and others that we will continue to emerge, they wish to implement, in consultation with residents. It is not the expectation that all of the options presented in this

report will be taken forward to implementation – some will need further development and challenge to overcome barriers to delivery. As such, **the conclusion of the PSR does not mark the end of the need for the council to think differently as it grapples with the challenges ahead.** Rather, the PSR represents a point in time – a chance to look ahead and begin to plan effectively for the future.

12. Indeed, as the PSR process concludes, a gap of some £21 million remains between the council's forecast budget to 2020 and the options identified through this process, particularly in the last three years of the decade. This means that even greater change will be required. It will be for Councillors to determine how the level of Council Tax will play into reducing the financial gap but the scale of the challenge means that, as councils up and down the country continue to innovate, **a new form of Local Government is likely to emerge.**

13. By 2020, it is likely that more Local Authorities will join forces to **merge commissioning and delivery functions**, not only with each other but across the public sector and other local and regional service providers. This is likely to trigger the development of clusters of multi-agency hubs, where public sector agencies are co-located to provide fully integrated services to residents. The **ways in which residents engage with councils – to pay a bill or make a transaction – will become more intuitive with more activity taking place online.** And, by the end of the decade, it is likely that **a more diverse mix of service providers will emerge, from across the public, private and voluntary sectors.**

14. It is clear from how councils have successfully dealt with the first round of spending cuts passed on in the 2010 Spending Review that Local Government can be trusted to deliver – to achieve efficiency savings and reform services for the better. But **meeting the challenges of the future will also require Whitehall to reform both its relationship with Local Government and the way in which councils are funded.** Achieving the vision of a fully integrated public sector with services geared around the needs of individuals will **require Government to devolve more responsibility to Local Authorities and to loosen the reins on the Local Government finance system**, doing more to provide greater flexibility across the system to promote integration and incentivise growth.

15. As this report will demonstrate, there will undoubtedly be challenges ahead but there is also **reason to be optimistic** - to strive to grasp the opportunities open to Barnet's residents and businesses and to share in the success of remaining one of the most prosperous boroughs in one of the best cities in the world.

EXECUTIVE SUMMARY

- Knowing that austerity will continue until the end of the decade, Barnet Council has a responsibility to plan for the future, building on the success of how it has dealt with the challenges of the past 5 years.
- The council established the Priorities & Spending Review (PSR) process to consider how it will successfully live within its means to the end of the decade.
- The PSR has been based on a process of consultation and engagement: With residents, so that the council understands what residents care about; and with a variety of local and national organisations so that the council has access to a wide range of ideas to inform its approach.
- The council forecasts that its budget will reduce by a further £72 million between 2016/17 and 2019/20, in addition to the £72 million reduction in the first half of the decade. Overall, the council's spending power in 2020 will be roughly half of what was in 2010.
- Although the council needs to make further savings, its budget will still be around £200 million by 2020. The council will ensure these resources are prioritised effectively, in accordance with the priorities of residents; that its statutory duties are effectively discharged; and that the decisions it takes are transparent and represent value for money.
- Despite the challenges, there are opportunities. London's economy will grow strongly over the remainder of the decade, and this growth will benefit Barnet.
- The borough's regeneration schemes will create more than 20,000 new homes and provide for up to 30,000 new jobs and the council will receive over £5.6 million in recurrent income from regeneration by 2020, with a further £50 million of non-recurrent income to be reinvested in infrastructure.
- However, not all of Barnet's residents may be able to take advantage of this opportunity, which creates a role for the council – working with other parts of the public sector – to identify those residents who need a degree of support to enable them to benefit from Barnet's success.
- The council is working in partnership with the Department of Work and Pensions, local Job Centres, skills providers, employers and Public Health with the aim of moving more people into work. Not only will this improve the quality of life for individuals, it will also reduce pressure on local services.
- Greater community participation in local issues will also be an essential part of the change the council will need to achieve to meet the financial challenges ahead. The council will develop a Community Participation Strategy, with the aim of achieving a greater level of collaboration with communities and enabling residents to take on greater responsibility for their local areas.
- Feedback from the first phase of PSR consultation has been used to establish a set of principles that have framed the development of options for closing the £72 million budget gap. These principles are Fairness, Responsibility, and A Good Quality of Life for All.
- In total, the PSR has identified options that have the potential to save the council up to £50.8 million through reduced spending and increased income over the period from 2016/17 to 2019/20 and go towards closing the £72 million budget gap.
- Of this, nearly half (48%) come from options for increasing organisational efficiency. Of the remainder, 20% comes from options for reducing demand and increasing independence; 20% from the proceeds of growth and taking a more entrepreneurial approach to maximise income; and 12% from redesigning and integrating services.
- It will be for elected Councillors to decide which of the PSR options to take forward to implementation through Council Committees, in consultation with residents and council staff.
- By way of illustration, if the entirety of the PSR package were to be implemented, the profile of savings shows that it is the last three years of the decade where a significant budget gap is likely to remain, with challenge really biting in 2017 and 2018.
- The council will continue to innovate to identify further opportunities to close the gap and it will be for Councillors to determine the balance of spending reductions and income generated through Council Tax as it does so.
- The council will require further flexibilities from central Government to fully close the gap, through greater financial devolution and increased flexibility across the Local Government Finance System to incentivise growth.

1. ABOUT THE BARNET PRIORITIES & SPENDING REVIEW 2014

CHAPTER SUMMARY:

- Knowing that austerity will continue until the end of the decade, the council has a responsibility to plan effectively for the future, building on the success of how it has dealt with the challenges faced over the past 5 years.
- In the summer of 2013, the council established the Priorities & Spending Review (PSR) to consider how it will successfully negotiate the financial challenges over the period from 2016/17 to 2019/20.
- The PSR represents a considered, bottom up process tasked with developing a package of options for meeting the projected gap in the council's finances until the end of the decade. The PSR has been based on evidence and analysis, with the objective of avoiding budget allocations being made in an arbitrary, top down way.
- There are three main elements of the PSR:
 1. **Forecasting the council's budget to 2020** – so that the council understands the scale of the challenge and the level of savings required. This analysis will form the basis of a new Medium Term Financial Strategy, which will set the council's budget envelope to 2019/20.
 2. **Consultation and engagement** – i) With residents, so that the council understands what residents care about; and ii) With a variety of local and national organisations - such as think tanks, professional bodies, businesses, Government departments - so that the council has access to a wide range of thinking to inform its approach.
 3. **Developing options for meeting the challenge** – using evidence, research and analysis to develop a range of potential options for making savings and generating income to close the gap in the council's finances.
- This report represents the conclusion of the PSR. It will be for elected Councillors to determine which of the options presented will be taken forward, developed further and implemented, following consultation with residents and staff.

The importance of planning for success

1.1 A critical element of Barnet Council's success in dealing with the financial challenges of the past five years has been the emphasis it has placed on **forward planning**. Barnet has a history of approaching challenges in a considered, logical and structured way and it is right that this should continue.

1.2 In 2008, the council's 'Future Shape' programme foresaw the spending cuts that were passed on by Government at the 2010 Spending Review and set a platform on which to base its response. Future Shape was succeeded by the 'One Barnet' programme, which developed 'bundles' of services to test with the market and will generate cumulative savings of £275 million over 10 years.

1.3 Knowing that the UK's current budget deficit means that austerity will continue until the end of the decade which, combined with rising demand, will place increased pressure on the council's resources (see **Chapter 2**), it is right that the organisation continues its commitment to forward planning. To do otherwise would leave the council at risk from ill-considered, short-term decision making.

The Barnet Priorities & Spending Review

1.4 The council's response has been the **Priorities & Spending Review (PSR)** - a 12 month process of analysis, engagement and ideas generation, which commenced in summer 2013 with the ambition of understanding the level of financial challenge facing the council and its local strategic partners up to 2020 and developing options for elected Councillors to consider - after the 2014 Local Elections - to close the budget gap.

1.5 Ultimately, the PSR is about **innovation** – of both thinking and doing things differently. The PSR has been designed to raise questions that challenge the role of the state, civil society and the individual, set within the context of local priorities that allows the council to determine its longer-term priorities and set a new **Medium Term Financial Strategy (MTFS)** to 2020.

1.6 A crucial element of the PSR is **consultation and engagement**. To date, the PSR has included a first phase of resident consultation – through Citizens Panel events and Focus Groups - so the council has an understanding of what residents care about as it considers the challenges ahead. The PSR has also consulted with a variety of local and national organisations - think tanks, professional bodies, businesses, Government departments – through a '**Call for Evidence**' so that it has access to a wide range of thinking to inform its approach. The Call for Evidence will close at the end of June 2014 and used to inform decisions taken through Council Committees.

1.7 This report represents the **final output of the PSR**. It sets out a **package of options for the council to save money and generate income which will be considered by elected Councillors**, with those measures which are taken forward **subject to public consultation before a final decision is taken and implementation begins**. The **legal implications** of each option will also be fully explored and **Equalities Impact Assessments** considered.

Continued innovation and further analysis

1.8 It is important to be clear **the end of the PSR does not mark the end of the council's thinking**. As this report sets out, a gap in the council's finances will remain even if all of the options were implemented and the estimated quantum of saving achieved. This means that the council will need continue to innovate and develop new approaches to how public services are designed and delivered, including through even greater integration across the public sector.

1.9 Further options will need to be developed and worked through as, inevitably, some of the measures set out in this report will not be taken forward or will be scaled back when subject to further scrutiny. In such cases, **alternative proposals will need to be developed to ensure that the budget gap is closed**. Further detail on the PSR process and the methodology that has supported it is set out in **Chapter 6**.

2. THE SCALE OF THE CHALLENGE TO 2020

CHAPTER SUMMARY:

- The UK is not yet half way through what is expected to be a decade of austerity and, despite a growing economy, a national budget deficit of approximately £50 billion will remain at the time of the next General Election in 2015. This means that cuts to public spending will continue until the end of the decade, no matter which political party is in power nationally.
- As part of the Government's aim to bring the UK's finances back into surplus, further spending cuts will be passed on to Local Government by Whitehall.
- Alongside continued austerity, population growth and demographic change will increase pressure on local services, particularly health and social care.
- The Government's major policy reforms will also increase the pressure on Local Government, particularly the implementation of the Care Act - which will require Local Authorities to cover the cost of care beyond the £72,000 cap for individuals – and increased entitlements through the Children and Families Act. Although the Government has pledged additional resources to help meet these pressures, this is unlikely to be sufficient.
- The PSR forecasts that the council's total budget will reduce by a further £72 million over the four year period from 2016/17 to 2019/20. This is in addition to the £72 million budget reduction from 2011/12 to 2015/16, meaning that council's total spending power will be around 50% lower at the end of the decade, compared to the start.
- Further austerity and rising demand will also impact the wider public sector and the council's local strategic partners: The Barnet Clinical Commissioning Group, Police, Job Centre Plus, Middlesex University, Barnet and Southgate College and Community Barnet. The PSR forecasts that up to £185 million could be cut from the combined budgets of the council and its local strategic partners over the period 2016/17 to 2019/20.
- It is clear, therefore, that the combined challenge of continued austerity, policy reform and rising demand is a challenge that requires a collective response from the council and its local strategic partners.
- Alongside reforms to local services, many of Barnet's residents will continue to face financial pressures, due to high energy bills, high and increasing housing costs, continued public sector wage restraint and the impact of changes to the benefit system.

The context of the PSR

2.1 This chapter sets out the **wider economic context and financial challenges** facing the council, the wider public sector, and many of Barnet's residents. It explains why the council believes that austerity and continuing demand for public services will continue, and presents a clear **rationale** for the council's decision to take forward the PSR.

The economic impact of the global financial crisis

2.2 The economic turmoil of the past 5 years or so can be traced back to the origins of the financial crisis which spread across the banking sector from 2007 to 2009 and eventually led to a **global economic downturn**. This downturn – and the resulting squeeze on public spending - has had huge ramifications for the global economy, the public finances in the UK and on living standards.

2.3 In 2010, when the current Government came to power, the UK budget deficit – the gap between how much it was spending and how much it received in income through taxation - was the largest in its peacetime history at over £150 billion. Annual interest payments on the UK's borrowing alone stood at £43 billion, which meant **the Government was spending more each year on servicing its national debt than it was on schools in England**.

2.4 The Government's initial response to the UK's burgeoning budget deficit came at the 2010 Spending Review, which set a pathway for tackling the debt and deficit burden by **cutting public spending by £81 billion over the period from 2011 – 2015**. Inevitably, the impact of this reduction in spending has been felt by Local Government. The consequence of the 2010 Spending Review for Barnet was that, over the period from 2011 – 2015, **the council's budget was reduced by 26%, equivalent to £72 million**.

2.5 Barnet's response to the first wave of cuts has been **carefully planned and implemented**. A consequence of this careful financial planning – through the agreement of a robust Medium Term Financial Strategy (MTFS) through to 2015/16 - has meant that **the council been able to afford a level of relative protection to frontline services up to now, with 77% of the savings up to 2015 coming from back office and management costs**. The successful management of taxpayer resources has also meant that the council has been able to pass on a proportion of these benefits to residents through **lower Council Tax bills**. Council Tax in Barnet has been frozen since 2010/11, with a 1% reduction in bills to every household in 2014/15.

2.6 However, although the council now finds itself in a relatively strong financial position compared to a number of other Local Authorities, there are still challenges ahead in implementing the decisions taken as part of the current MTFS up to 2015/16, in addition to the need to make cuts on a similar scale in the latter half of the decade.

The macro-economic position today – economic growth alongside continued austerity

2.7 Nearly four years on from the 2010 Spending Review, the context of public sector spending cuts is now well established and familiar to all those working across the sector or closely with it. That being the case, the council's own recent consultation in relation to the PSR –

which is explored in **Chapter 6** - has highlighted a **degree of surprise amongst residents about the need for further austerity**.

2.8 This surprise might be because **the UK economy – after a sustained period of recession – is now growing**, with inflation below 2% and unemployment almost at pre-financial crisis levels, particularly in London. However, despite an upturn in the macro-economic picture, the fact remains that – as things stand and despite cuts of around £100 billion since the 2010 General Election – the UK is still running a structural deficit of over £80 billion which, although declining, is **expected to stand at around £50 billion by the 2015 General Election**. That is to say, even with strong growth factored into the Treasury's fiscal assumptions, the amount of money being spent by the Government in 2015 will still be £50 billion more than it receives through taxation. That is why further austerity will be required beyond 2015, no matter who is in No10¹. Inevitably, this means that further cuts will be passed on to Local Government.

The impact on residents from policy reform and continued fiscal restraint

2.9 Alongside on-going austerity, and the impact this will have on local services, **many of Barnet's residents will continue to be affected by financial pressures for a number of years**. This is likely to be driven by high energy prices and rapidly increasing housing costs, the latter being most acute in Barnet and across London. For those residents working in the public sector, there will be continued restraint on wages for the next 5 years, which the Government will use as a mechanism to control inflation and reduce the budget deficit. Taken together, this means that, despite relatively low inflation at the present time, large numbers of people in certain parts of the borough are likely to continue to see their income squeezed.

2.10 Added to this, large numbers of residents in Barnet and across London will be further challenged by the Government's focus on **reducing welfare spending**. Total UK spending on welfare is forecast to be £222bn in 2014/15, some 30% of total public spending (£732bn)². That being the case, and considering that large areas of public spending such as health and education have been ring-fenced, creating a significant gearing effect, it is not possible to eradicate the country's budget deficit without taking action to cut the welfare bill. In recognition of this, **both Labour and the Conservatives have set out plans to cap spending on welfare over the next Parliament**.

2.11 Locally, **the elements of the Government's Welfare Reform programme that have been implemented thus far (the Benefit Cap; the under-occupancy charge; and changes to Council Tax Support) are having an impact**. Analysis shows that, in 2015/16, a total of £80 million will be cut from benefits going to Barnet residents – the 10th highest of all Local Authorities. In total, 27,000 Barnet residents have been impacted by benefit reforms introduced to date, with 4,600

¹ The pace of austerity is likely to alter slightly depending on who is in power and the decisions they take in relation to the balance between taxation and spending. Based on current forecasts, the Conservatives have said they will eradicate the deficit by 2018/19, whereas Labour will take a further year to do so.

² Budget 2014, HM Treasury, March 2014

residents facing a gap of more than £25 a week between their rent and housing benefit. The rising cost of housing across London and in Barnet³ has exacerbated the impact, with around 40% of those claiming housing benefit and Council Tax support in paid employment and the number of council tenants in rent arrears increasing.

2.12 Although the impact of Welfare Reform is being felt across the borough, the impacts are most acute in the more densely populated areas to the South and West and in more deprived Wards. It is these residents who will require intervention from the council and the wider public sector to enable them to move into employment and reduce their reliance on the state.

Increasing demand on local services from demographic change and policy reform

2.13 Pressure on public services will be exacerbated by **continued population growth and demographic change** over the next decade, consistent with wider growth that will be evident across London.

2.14 Between the 2001 and 2011 Census periods, total population in Barnet grew by 11.5% (London 11.6%) and it remains **the second of the most populous borough in London**, surpassed only by Croydon. Within the overall growth in population, the size of the average household has increased and growth in the young and old populations has been particularly rapid.

2.15 These trends are set to continue over the coming years. **Barnet's total population is expected to increase by nearly 5% over the next 5 years (an increase of 17,308)**, with further growth in both the young and old cohorts. The effects of an ageing population will become most acute, with the over-65 population forecast to grow by 10.4% over the next 5 years and 24% over the next decade⁴, placing increased pressure on social services and health budgets.

2.16 Alongside this, the council will also face significant financial pressure as a result the **Government's policy reform programme**, particularly in relation to the **Care Act** which sets out wide ranging reforms to the way health and social care is funded. The main component of the Act is the introduction of care accounts for people eligible to receive care and support, and a cap on the total cost that individuals contribute towards their care. Once individuals have contributed up to a maximum of £72,000, it will fall to Local Authorities to cover any costs above this level.

2.17 Although the Government has announced that additional funding will be provided to Local Authorities to cover the costs of the Care Act, analysis by London Councils has shown that this is likely to be inadequate. London Councils estimates that an additional £1.5 billion will required nationally from 2016 to 2020, against the Government's estimate of £1 billion⁵. Clearly,

³ Private sector rents in Barnet increased by 9% in 2013

⁴ GLA 2014 population estimates

⁵ Care and Support Funding Reform: Cost implications for London. London Councils.

any shortfall in the level of additional funding provided by Government will increase the financial burden on Local Authorities.

2.18 The **Children and Families Act** includes new responsibilities for Local Authorities to transform the system for children and young people with special educational needs (SEN), including those with disabilities. The Act extends the SEN system to include children from birth to the age of 25 and gives children, young people and their parents greater control in decisions about how their needs are met. To support this, a new co-ordinated assessment process involving health, education and social care is required that will develop an integrated plan for each child who needs it.

2.19 There is also a requirement for Local Authorities to publish a single source of information for children and their families about the range of services and support available to them, as well as to develop a personalised budget offer for families. Implementing this new system will be resource intensive in the short to medium-term, with the longer-term potential pressures arising from extending the age range to 25 still being explored.

The financial impact on Barnet Council and its local strategic partners

2.20 As **Chapter 6** sets out, the PSR has modelled the council's budget to 2020, based on assumptions around income and expenditure and the continued squeeze on public spending. Based on the outputs of the model, **the council expects its total budget to reduce by a further £72 million over the four year period from 2016/17 to 2019/20**. That is to say, the council's budget will be £72 million lower on 1 April 2020 than it was on 1 April 2016.

2.21 This level of budget reduction in the latter half of the decade is in addition to the £72 million that will be taken out of the council's budget from 2011/12 to 2015/16 and means that, by the end of the decade, the council's total spending power will be almost half of what it was at the start.

2.22 The PSR has also modelled the impact that further austerity and rising demand is likely to have on its **local strategic partners**: The Barnet Clinical Commissioning Group, Police, Job Centre Plus, Middlesex University, Barnet and Southgate College and Community Barnet. **The PSR forecasts that up to £185 million could be cut from the combined budgets of the council and its local strategic partners over the period from 2016/17 to 2019/20**.

2.23 It is clear, therefore, that the combined challenge of continued austerity, policy reform and rising demand is **a challenge that is shared across the local public sector and between the council and its local strategic partners**. Successfully meeting this challenge therefore requires a **collective response**.

3. FULFILLING THE COUNCIL'S DUTIES AND FOCUSING ON WHAT RESIDENTS CARE ABOUT

CHAPTER SUMMARY:

- Although the council is facing further budget reductions of around 20%, the majority of the council's budget – some £200 million – will remain by the end of the decade.
- The council's focus will be to ensure that resources are prioritised effectively, in accordance with the priorities of residents; that statutory duties are effectively discharged; and that decision making is transparent and represents value for money.
- In making the required organisational and service reforms through to 2020, the council will work to ensure:
 - That Barnet's waste is disposed of and the borough's streets are cleaned.
 - That Barnet's parks and green spaces are looked after.
 - That the borough's network of roads and pavements and other transport infrastructure remains viable.
 - Continued housing development and regeneration across the borough.
 - That Barnet's schools remain amongst the best in the country - with enough places to meet future need - and equip children to become successful adults.
 - Effective safeguarding and protection for the borough's children, young people and vulnerable adults.
 - Personalised, integrated health and adult social care providing individuals and families with the right support to enable them to remain in their own home.
 - A new standard in customer services, with the way in which residents interact with the council significantly improved and simplified.

Although the council needs to make further savings, it will still have a budget of around £200 million by the end of the decade

3.1 Inevitably, when the attention of any organisation – or any family or individual - turns to the decisions they will need to take to cut costs, it often becomes the primary focus. However, it is important to remember that, whilst the council will need to take some very challenging decisions in order to manage a further 20% reduction to its budget, **around £200 million of taxpayer resources will remain under its control by 2020.**

3.2 The focus of the council will be to ensure that these **resources are prioritised effectively**, in accordance with the views expressed by residents through consultation, and that its statutory obligations are fulfilled. In doing so, the council will also ensure that the decisions it takes are transparent and represent value for money for the taxpayer.

Prioritising the issues residents care about

3.3 Given the scale of financial challenge, it would not be sensible to make generalisations about areas of council spending that will be protected at this stage. However, it is possible to

give an indication about the on-going responsibilities of the council and **the priorities that it will focus on over coming years**. The council has drawn on feedback received from residents through recent **Resident Perception Surveys**, which are in depth surveys of 2,000 residents conducted on a biannual basis and used as a reliable barometer of resident views.

3.4 Over the last two years, Barnet's Resident Perception Surveys have highlighted the maintenance of the borough's **roads and pavement networks** and **street cleanliness** as areas of high priority. **The quality of Barnet's schools and green spaces** have also been highlighted, with a similar picture emerging through the first phase of PSR consultation, and **these are issues that the council will continue to focus on**.

Box 1: Council resources will be used to ensure:

- That Barnet's waste is disposed of and streets are cleaned.
- That Barnet's parks and green spaces are looked after.
- That the borough's network of roads, pavements and other transport infrastructure remain viable and are able to cope with increased usage.
- Continued housing development and regeneration across the borough, to help meet the needs of a growing population.
- That Barnet's schools remain successful - with enough places to meet future need - and equip children to become successful adults.
- Effective safeguarding and protection for the borough's children, young people and vulnerable adults.
- Personalised and integrated health and adult social care, providing individuals and families with the right support to enable them to remain in their own home.
- Improved and simplified processes for residents and businesses to interact with the council, for example to request a service or pay a bill.
- On-going engagement with the police to tackle crime and anti-social behaviour.
- New standards of customer service with users helping to co-design the services they use, making customer transactions easier and more intuitive.

Environmental services

3.5 The improvements made to the council's **waste and recycling offer** in October 2013 have created a step-change in the amount of waste that is recycled, with a corresponding reduction in the amount sent to land-fill. Not only is this better for the environment, it is also more cost effective for the council. Although further savings will need to be made to waste and recycling services, the council will **continue to ensure that the borough's waste and recycling is collected and disposed of**.

3.6 The council continues to be committed to **keeping the streets of Barnet clean**. Within the last six months, the council has invested in a fleet of mechanical sweepers to better clean Town Centres and residential streets. The cleanliness of the borough will be further improved by changes to ensure that cleansing routes are optimised and that Town Centre and residential sweeping beats are regularly reviewed to ensure a consistent standard of cleanliness.

3.7 Resident feedback consistently shows that Barnet's **parks and green spaces** are amongst its biggest assets and are a strong influence for people deciding to live in the borough. The council recognises this, and will **continue to ensure that the borough's parks and green spaces are looked after**, including through greater partnerships with community groups.

Housing, regeneration and infrastructure

3.8 As the borough continues to grow, the council will focus on the provision of high quality **housing and infrastructure** across the borough. Barnet's seven major regeneration schemes will create more than 20,000 new homes over the next 20 years. A total of 965 new affordable homes were built in 2011/12 and 2012/13, with capacity for 300 new council homes on non-regeneration estates and over 40 to be built over the next 2 years.

3.9 Over the past 3 years, the council has invested more than £10 million in the **borough's road and pavement networks** in addition to the annual base spend of £4 million. The council will **continue to ensure that Barnet's roads and pavements – as well as other parts of the borough's transport networks – remain viable** and are able to cope with increased usage.

Adult Social Care and Community Services

3.10 The council will **continue to achieve its core priorities and statutory duties in relation to adult social care and health**, including:

- Providing **timely and accurate information, advice and guidance** to residents with social care needs.
- Providing **appropriate assessment** and **personalised support** to both residents with care needs and family carers.
- Sustaining a **strong partnership with the local NHS** so that individuals can maintain and improve their **physical and mental health**.
- **Safeguarding vulnerable adults**.
- The **discharge of statutory duties** under a range of legislation including **community care; mental capacity; and crime and disorder**.
- Ensuring access to **leisure services** across the borough and **promoting physical health**.
- Partnership working through **community safety measures to reduce crime and anti-social behaviour**.

3.11 Adult social care services are going through a significant period of change, which will continue over the next few years as Local Authorities respond to the changes made through the **Care Act** and do more to **integrate health and social care**. Barnet has embraced this agenda and, as the council negotiates the challenges of the next few years, it will ensure that:

- The borough is **effectively prepared for the implementation of the Care Act**, both in terms of helping to prepare residents for the changes but also to ensure that the council discharges its statutory duties.
- The council and the Clinical Commissioning Group (CCG) makes effective use of the **Better Care Fund to integrate health and social care services**, providing greater choice and more coordinated services to residents whilst generating efficiency savings.
- The council implements its vision for adult social care, which is focused on **providing personalised, integrated care with more residents supported to live in their own home**.

Children's Services

Education & Skills

3.12 Barnet's **schools and education facilities** rank amongst the best in the country, with **91% of primary schools and 86% of secondary schools rated by Ofsted as good or outstanding**. Results from GCSE exams taken in the summer of 2013⁶ show that 71.5% of Year 11 pupils in Barnet obtained 5 GCSEs including English and Maths, compared to the national average of 59.2%, **placing the borough in the top 5% of Local Authorities nationally when it comes to exam success at key stage 4**.

3.13 Drawing on feedback from residents, **the council recognises that quality of the Barnet's schools is at the heart of the borough's success** and is one of reasons why so many people chose to live here. It is the top priority of the council's **Education and Skills Delivery Unit** to ensure that this success continues, and that the other core aims of Barnet's Education Strategy are achieved, namely that:

- Every child attends a **good or outstanding school**, as judged by Ofsted;
- The **attainment** and **progress** of children in Barnet schools is within the top 10% nationally;
- The progress of the most disadvantaged and vulnerable pupils is accelerated, in order to **close the gap** between them and their peers.

3.14 In working to achieve these aims, the **Education and Skills Delivery Unit** will focus on achieving the following outcomes over the next few years, working closely with Family Services to deliver against the outcomes in Barnet's **Children and Young People's Plan**:

⁶ 2013 GCSE results, Department for Education

Box 2: Prioritising schools and post-16 participation**Schools**

- Ensuring a sufficient supply of school places to enable all pupils to secure a place at a good school and improving attendance.
- Ensuring that all children with Special Educational Needs receive the support they need at school to achieve their best.
- Providing a clear Local Authority offer in relation to the effective monitoring and challenge of Barnet's schools and, where schools are identified as providing cause for concern, they get the right support to improve quickly.
- Ensuring effective use of the pupil premium to benefit of vulnerable pupils.
- Ensuring schools are well governed, with relevant and up to date training and support available to all schools, including Academies and Free Schools.

Post-16 participation, progression and skills

- Effective tracking and monitoring of 16+ young people.
- A broad offer for young people, encompassing a range of options including apprenticeships and employment opportunities.
- A sufficient local offer to enable young people with learning difficulties and/or disabilities to live and work in their local community.
- A cohesive strategic approach to equipping residents with the skills required to access employment.

Family Services

3.15 The council's **Family Services Delivery Unit** will continue to focus on:

- **Creating better life chances for children and young people** across the borough;
- **promoting family and community wellbeing** and encouraging **engaged, cohesive and safe communities**; and
- sustaining a strong partnership with the local NHS so that families and individuals can **maintain and improve their physical and mental health**.

3.16 In addition, Family Services will continue to deliver against outcomes in Barnet's Children and Young People's Plan around **ensuring a great start in life for every child, preparation for adulthood, early intervention and prevention, and keeping children safe**.

3.17 Family Services will **ensure effective delivery of the 200 or so statutory functions the council is required to provide**, including those related to **Adoption, Assessment, Care, Safeguarding Children, Youth Offending and Early Years support**. Barnet is a comparatively safe borough with a low proportion of children in care and maintaining that level will continue to be one of the service's priorities. Family Services will continue to ensure that its **safeguarding arrangements are effective and robust**, achieved by improving the interface between statutory services, for example Social Care and Youth Offending teams working closely together to identify and support young people who might be at risk.

3.18 Family Services will also drive improvement across all its practices by **increasing the participation of children and young people**, including in social care decisions that impact on them.

3.19 It is widely acknowledged that **effective early intervention and prevention** can improve outcomes for families and that support offered early on can significantly reduce the need to seek or receive more acute, costly support at a later stage. A review of cases of looked after children in the borough has identified the ‘toxic trio’ of **domestic violence, substance misuse and mental ill-health**, particularly when they were present in combination, as common features of families where harm to children has occurred. As such, tackling these issues will continue to be a priority and Family Services will work with partners in the Clinical Commissioning Group to coordinate the most effective commissioning and delivery of services.

Customer services

3.20 The council’s partnership with Capita to provide ‘back office’ functions – which includes IT, estates management, procurement, finance, HR and revenue and benefits – as well as front facing customer services will provide an improved service at lower cost. The contract provides for significant up-front investment to service improvements, which would not have been possible had the services remained in-house. In total, **the contract with Capita will save the council £125.4 million over 10 years.**

3.21 The partnership will also achieve **new standards of customer service**. It will see service users co-design the services they use; it will make customer transactions – such as paying Council Tax or requesting a parking permit – easier and more intuitive; and it will provide the council with a much richer source of customer insight about who is using local services and their preferences. This insight will help to design more responsive services in the future.

Developmental and Regulatory Services

3.22 The council’s partnership with Capita to provide Developmental and Regulatory Services (DRS)⁷ will **deliver a guaranteed £39m financial benefit over 10 years as well as significant upfront investment to sustain and improve these services**. The DRS contract will be managed via an innovative Joint Venture between the council and Capita, named ‘Regional Enterprise’ (Re).

3.23 The contract includes a range of key performance indicators which focus on **improving customer satisfaction** with the services provided, as well as growth related indicators such as **increasing business survival rates** in the borough – through improved transport and

⁷ Planning Development Management, Building Control and Structures, Environmental Health, Trading Standards and Licensing, Strategic Planning and Housing Strategy, Highways Network Management, Highways Traffic and Development, Land Charges, Cemetery and Crematoria, Regeneration.

infrastructure and local supply chain management – and **reducing youth unemployment** through investment in apprenticeships, enterprise hubs and partnerships with Middlesex University and Barnet and Southgate College.

3.24 The Joint Venture will provide a regional platform to deliver DRS services across the south of England. Re will create a strong consultancy base and a **'best in class' range of tradable services** to win and deliver work for other authorities. As a partner in the business, **the council is entitled to a share of all income generated**, meaning that Barnet's taxpayers will benefit from the future success of the enterprise.

4. THE IMPORTANCE OF GROWTH AND REGENERATION IN BARNET

CHAPTER SUMMARY:

- Barnet will continue to be a successful, growing borough as part of a successful, growing World City. London's economy will grow strongly over the remainder of the decade, which represents a significant opportunity for Barnet's residents and businesses, as well as for the council.
- Growth and regeneration is crucial for the future of the council and the borough – it brings in more revenue from Council Tax, Business Rates and the New Homes Bonus which means that less will need to be cut from local services.
- The council will receive £5.6 million in recurrent income from regeneration by 2020, with a further £5.7 million accruing by 2025. The council will also receive £50 million in one off income by the end of the decade, to be invested in infrastructure.
- Barnet will go through a significant period of regeneration over the next decade and beyond, with seven major schemes being planned and implemented in areas such as Colindale, Dollis Valley and Brent Cross Cricklewood. In total, these schemes will create more than 20,000 new homes and provide for up to 30,000 new jobs across the borough.
- Prioritising regeneration and development – both in terms of Barnet's residential and commercial spaces – will revitalise communities and ensure that the borough continues to benefit from the proceeds of growth.
- Regeneration will also reduce future demand on services through the effective design of new communities, helping residents to live longer in their own homes and reduce pressure on social care services.

Responsible growth and regeneration for a prosperous future

4.1 Investment in regeneration and development is an **essential driver for economic growth**. Regeneration **creates jobs, reinvigorates communities and improves living standards**. Regeneration is also crucial in maintaining Barnet as a successful and prosperous London borough, where people want to live, work and study.

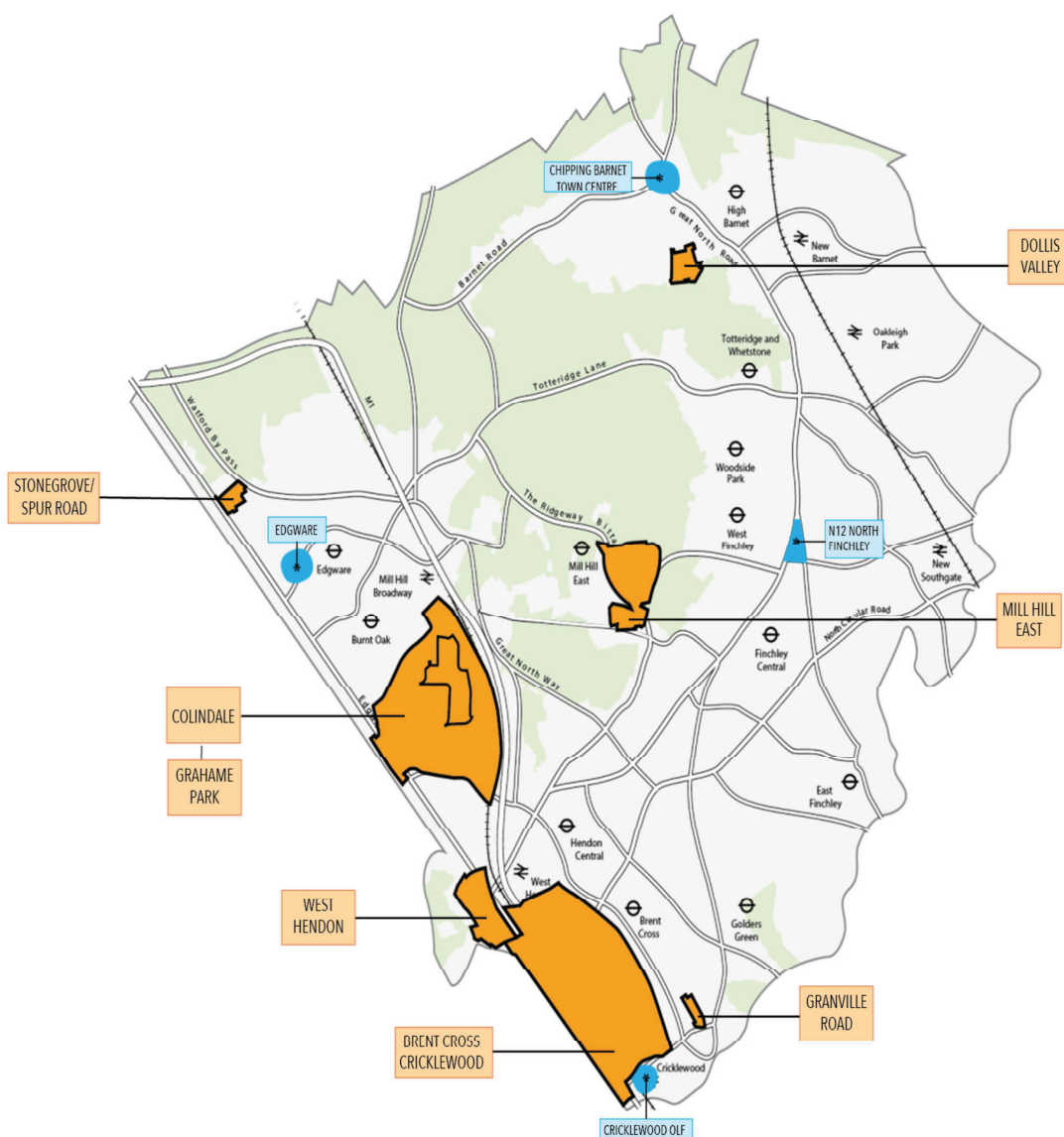
4.2 Barnet will go through a significant period of regeneration over the next decade and beyond, with seven major schemes being planned and implemented in areas such as Colindale, Dollis Valley and Brent Cross Cricklewood. In total, **these planned regeneration schemes will create more than 20,000 new homes and provide for up to 30,000 new jobs across the borough**. They will also bring **significant investment in infrastructure** – in transport, schools and community facilities.

4.3 Whilst the council is committed to embracing regeneration as a driver for continued success, it is essential that regeneration is delivered by the council and its partners in a **responsible and sustainable way**. The council will ensure that **Barnet's green and open spaces are protected** so that the borough remains an attractive place where people want to live now and in the future.

The benefits of Barnet’s major regeneration schemes: New homes, local jobs, modern infrastructure and revitalised communities

4.4 There are seven major regeneration schemes either being planned or being implemented across Barnet. In total, the council expects to receive **£5.6 million from the proceeds of growth** – in other words, the recurrent income from the planned regeneration schemes already in the pipeline – by 2020, with a **further £5.7 million of recurrent income generated by 2025**. The council will also benefit from **one off income of over £50 million** from regeneration by 2020, to be invested in infrastructure.

Figure 1: The location of Barnet’s major regeneration schemes



Box 3: The benefits of Barnet's major regeneration schemes

Colindale and Grahame Park

- The regeneration of Colindale, in the west of the borough, is Barnet's largest regeneration scheme. 3,000 new homes have already been built in Colindale since 2010 and, by 2025, the regeneration will create over 10,000 new homes, with around 1,000 jobs created by 2016.
- £700 million will be invested in the complete regeneration of Grahame Park, Barnet's largest housing estate, over the next 13 years which will transform the community.

Brent Cross/Cricklewood

- Planning consent for the £4.5 billion, privately funded regeneration scheme at Brent Cross Cricklewood, in the south west of the borough, was issued in 2010 and modifications agreed in 2014. In 2014, the council started the process to appoint a new development partner to deliver the scheme.
- The plan includes the refurbishment and extension of the Brent Cross shopping centre, creating 7,500 new homes and commercial space for up to 27,000 new jobs. Construction is planned to start in 2016 and will take 20 years to complete. The development will include significant investment in major infrastructure and transport including new roads, junctions and bridges, a new Thameslink railway station and replacement bus station at Brent Cross, as well as new schools and community facilities.

Stonegrove and Spur Road

- The £230 million regeneration of the Stonegrove and Spur Road Estates in Edgware, to the north of the borough, will create a revitalised, attractive and vibrant neighbourhood. The current mix of low and medium rise blocks, constructed in the 1960s and 70s, will be replaced with nearly 1,000 new homes. By March 2014, 388 new homes had been built and the scheme is on track to be completed by 2018.
- There will be road improvements to important junctions between Spur Road and Green Lane and investment in community facilities, with a new combined community hall and church buildings.

West Hendon

- The £500 million regeneration scheme at West Hendon, to the west of the borough, will create a mixed tenure of around 2,000 new homes. By February 2014, 186 new homes had been completed.
- A revised Masterplan was given planning consent in 2013 and the next major phase of 216 homes commenced in January 2014. The scheme will include the replacement of the existing community centre with a new, modern facility and the reconfiguration of the road network to improve access and traffic flow.

Dollis Valley

- The £129 million privately funded regeneration of the Dollis Valley Estate, to the north of the borough, will create a new sustainable neighbourhood with mixed tenure housing and improved transport links. The first phase started on site in January 2014 and the scheme is due for completion in the Spring of 2015.
- The existing 436 flats and maisonettes will be replaced with a mixed tenure high quality development of up to 616 new homes. Within the community space to be created, there will be a number of social enterprises co-located together, as well as training facilities to provide skills and job opportunities. There will also be a nursery providing childcare and additional employment opportunities.

Mill Hill

- The £200 million regeneration of Mill Hill, in the centre of the borough, aims to create a revitalised neighbourhood on the existing 83 acre site, with good progress made on site.
- The planned regeneration will create 2,174 new homes, together with a primary school, modern community facilities, and employment and retail opportunities with up to 500 permanent direct jobs and 40 indirect jobs. The new primary school and the east-west link road are due to open in 2014.

Granville Road

- The planned £40 million privately funded regeneration of the Granville Road Estate, situated at the southern end of the borough, includes the construction of around 145 new homes.
- The development agreement has been signed and a planning application is expected during 2014.

Effective regeneration to reduce demand on health and social care services

4.5 Not only is the prioritisation of regeneration and development essential for the continued success of the borough, in terms of building new homes for new and existing residents and creating commerce and jobs, it is also **an essential component of the council's strategy for reducing pressure on services over the longer-term.**

4.6 The effective design of modern residential developments in communities that are well connected and encourage people to lead active lives through access to leisure and recreational activities, will **help Barnet's residents live healthier lives and live longer in their own homes which will reduce pressure on health and social care services over the longer term.**

5. OPPORTUNITY FOR ALL AND PROMOTING COMMUNITY PARTICIPATION

CHAPTER SUMMARY:

- In the years ahead, Barnet will continue to be a successful borough as it benefits from being part of a successful London.
- However, there will be residents who are not currently able to take advantage of this opportunity and who are at risk of missing out – perhaps because of health problems or because they do not have the right skills or qualifications to move into employment.
- This creates a role for the council – working effectively with other parts of the public sector – to identify those residents who need a degree of support to allow them to take advantage of Barnet’s success.
- The council is working in partnership with the Department of Work and Pensions, local Job Centres, skills providers, employers and Public Health to provide guidance to residents impacted by the Government’s programme benefit reform, with the aim of more people moving into work and reducing dependency on services.
- Despite a reduction in unemployment in Barnet over the past 12 months, there remains a significant cohort of residents who have been out of work for some time. The council has joined forces with Jobcentre Plus, Barnet and Southgate College and providers of the Government’s Work Programme to agree a Partnership Agreement which aims to reduce unemployment and reliance on public services.
- Greater community participation in local issues will be an essential part of the change the council will need to achieve over the next five years. In order to negotiate the challenges ahead, the council will need to work with residents to increase self-sufficiency, reduce reliance on services, and make the best possible use of community strengths and knowledge to tailor services to need.
- The council will develop a Community Participation Strategy and Action Plan, with the aim of achieving a greater level of collaboration with communities and enabling residents to take on greater responsibility for their local areas.

Ensuring that growth and success remains an opportunity for all

5.1 Barnet’s position as a **successful London borough** means that the benefits of London’s growing economy will bring continued prosperity to the area - and to large numbers of Barnet’s residents and businesses – with limited intervention from the council.

5.2 However, there will be residents who are not currently able to take advantage of this opportunity and **who are at risk of missing out** – perhaps because of health problems or because they do not have the right skills and qualifications to move into employment. This creates a role for the council – working with other parts of the public sector such as health and Job Centres – to identify those residents who need a degree of support to allow them to take advantage of Barnet’s success.

5.3 This means **providing the right interventions – in relation to issue such as skills, employment, health care and education – to the right people, at the right time**. This is not about creating a culture of dependency and reliance on the state – most people want to live

independent lives without the need of support – rather, the opposite. **Better enabling residents to help themselves will help to reduce reliance on public services**, and is a crucial component of the council’s long-term financial plan.

Welfare reform

5.4 The Government’s **welfare reform programme** – which is an essential component of plans to eradicate the UK’s budget deficit – has had an impact on large numbers of residents across the borough. The council has worked with the Department for Work and Pensions and local Job Centres to **communicate the changes to the benefit system to residents so that they can make the necessary adjustments**.

5.5 The council’s overriding aim is to see **more people entering employment as the primary means of dealing with changes to benefits**, and has used the funding available to it – such as Discretionary Housing Payments – in such a way as to **incentivise work**. However, some residents will **require support to overcome personal challenges that act as barriers to employment** – such as access to childcare, health concerns, a lack of skills or qualifications – and the council has put in place policies to provide the right interventions to enable people to move into work and reduce pressure on local services.

Box 4: Case study – preparing residents for Benefit Reform and supporting them into work

Local Government Association analysis shows that the largest impacts of the Government’s benefit reform programme are felt in London. This includes not just those boroughs that have traditionally been identified as ‘deprived’ but also boroughs such as Barnet, where high housing costs means that large numbers of residents are in receipt of housing benefit. Barnet has the 10th highest number of people impacted by the Benefit Cap of all English Local Authorities. Around 27,000 Barnet residents are impacted by reforms to Housing Benefit and Council Tax Support, 60% of which are working households.

The council has worked in partnership with the Department of Work and Pension and local Job Centres to prepare families to manage the changes brought in by benefit reform and help them find work to move off the Benefit Cap. A Benefit Cap Task Force - a co-located team comprising officers from Barnet Homes, the council’s Revenues and Benefits Service, and Jobcentre Plus – was set up in June 2013 to support people to find work and minimise the numbers of residents at risk of becoming homeless by helping them to find suitable accommodation. To date, the Task Force has engaged 92% of people affected by the Benefit Cap and has reduced the risk of people becoming homeless. 31% of residents supported by the Task Force have found work – higher than the majority of London boroughs. Across London, figures from the Department of Work and Pensions suggest that 27% have come off the Benefit Cap by moving into work in 2013/14, with DWP estimates in March 2014 suggesting that, in Barnet, this figure is higher at around 33%.

In the next year, Barnet will build on this success by preparing residents for the implementation of further benefit reforms including the introduction of Universal Credit and the transfer to Personal Independence Payments. The creation of the joint Task Force represents a new model of service provision that joins up support for the most vulnerable with the aim of helping them to improve their lives. This approach delivers more effective services; better outcomes for individuals; and a more integrated public sector and is a model that the council will continue to develop.

Skills and employment

5.6 Over the past 12 months, **economic growth in London has seen unemployment fall to almost pre-financial crisis levels**. In Barnet, there has been a 21% reduction in Job Seekers Allowance claims, a 25% reduction in youth unemployment and a 23% reduction in long term unemployment claims.

5.7 The £1m invested to **support young people into work and training** through the council's 'Platforms' programme has helped bring about this change, by engaging with over 263 young people and 70 businesses. **In 2013, the proportion of young people in Barnet aged 16-18 that were recorded as not in education, employment or training ('NEET') fell to 2.3% - the fourth lowest figure in the country and well below the London average of 3.8%⁸.**

5.8 Despite this success, there remains a **significant cohort of residents who have been out of the labour market for some time**. In response, the council has joined forces with Jobcentre Plus, Barnet and Southgate College and providers of the Government's Work Programme to develop a **Partnership Agreement aimed at reducing unemployment across the borough**. The agreement will be underpinned by a **Joint Action Plan** to monitor performance. The focus of the agreement will be to support vulnerable and hard to reach cohorts into work; develop career pathways into higher level jobs in the care sector; and a focus on retail and construction opportunities that will derive from regeneration activity across the borough.

Unlocking the potential of community participation

5.9 Greater **community participation, engagement and involvement** will be an essential part of the change the council will need to achieve over the next five years. In order to negotiate the challenges ahead, the council will work with residents to **increase self-sufficiency, reduce reliance on statutory services, and make the best possible use of community strengths and knowledge to tailor services to need**.

5.10 The council's strategic vision is to **develop a new relationship with residents that enables them to be independent and resilient and to take on greater responsibility for their local areas**. This is not about the council shifting its responsibility to residents – it is about recognising that residents want to be more involved in what happens in their local areas. Not only does this benefit residents, it will also **increase community cohesion and reduce the pressure on statutory services**. As such, **more effective resident engagement and greater community participation becomes a necessary pre-cursor to meeting the challenges facing the council**.

5.11 In many cases, residents and community groups are better placed to provide local services and understand the challenges facing their communities. The council must do more to take this into account when deciding how services are designed and delivered. This has the potential to enable residents to gain opportunities to develop their skills and capacity and communities will have stronger networks and connections and become more cohesive as a result. Greater levels of community activity also has the potential to provide both residents and

⁸ Department for Education, May 2014

the council with more choice about how priority outcomes are achieved, through a broader range of options from which to choose.

5.12 Done effectively, greater collaboration leads to services that are **better informed about local need** and are **improved and more efficient as a result**. This will enable the council to use the most locally appropriate ways of delivering services, making use of the work of voluntary and community groups and formal and informal networks in addition to its own activity, and develop a structured approach to how existing and future capacity and demand is managed.

5.13 The council will support this vision by **developing plans that engage residents and communities with the objective of them taking on more responsibility and, where appropriate, to transfer services, assets or functions to the community**. The council will develop a **Community Participation Strategy and Action Plan**, with the aim of achieving the vision of greater collaboration with communities.

The council's Voluntary & Community Sector development partner

5.14 Alongside the development of an effective strategy, the council will need a strong **voluntary and community sector (VCS) development partner** to help realise its vision. That is why the council has gone out to tender to procure an effective local partner, or partners, to help put the practicalities in place to unlock the potential of community participation.

5.15 Barnet has a large and diverse VCS, with around **1,400 organisations across the borough**. The sector is estimated to contribute in excess of £250 million to the local economy. The council does not have the capacity or networks to engage with a sector so large (and yet composed of many small organisations) and there are many groups considered 'hard to reach' who require encouragement in order to participate in their local areas. **The council needs a VCS development partner with appropriate networks, local knowledge, independence, credibility and understanding of the reasons why people choose to get involved in their local areas in order to encourage communities to participate and share responsibility for tackling local challenges.**

5.16 The council will work with its VCS development partner to unlock the potential of Barnet's communities through initiatives to **increase volunteering and participation; build networks of people with shared interests; set up community trusts to support capacity; develop social investment models; support the transfer of strategic assets from the council to communities; and nurture grassroots initiatives that harness the high levels of social capital in the borough.**

5.17 There is also a key role for the VCS partner to play in supporting the **Community Offer for Barnet Adult Social Care** and the council's shared vision with the Barnet Clinical Commissioning Group for **integrating health and social care** services.

6. PRIORITIES & SPENDING REVIEW 2014 – APPROACH AND METHODOLOGY

CHAPTER SUMMARY:

- In taking forward the PSR, the council's objectives were to:
 - Develop a clear sense of the council's longer-term strategic priorities and outcomes, through a process of engagement with residents;
 - Ensure that the council's future strategic priorities and outcomes are more cross-cutting and not based around Delivery Unit silos;
 - Ensure that these priorities are developed in the context of the strategic challenges facing the borough over the medium to long-term;
 - Implement a process for ensuring that the council's resources are allocated in accordance with these priorities; and
 - Make decisions around spending and the allocation of resources based on evidence of impact and effectiveness.
- As a first step, the council developed a financial model to forecast the scale of the financial challenge over the period 2016/17 to 2019/2020, based on assumptions about future expenditure and income.
- Having established the scale of the challenge, the next step of the PSR was to develop a framework to guide the development of options for meeting the challenge. The PSR framework set out three work streams - Efficiency; Growth; and Service Transformation – with the development of options taken forward as part of each work stream.
- The PSR has been based on extensive consultation and engagement, in three phases:
 - Phase 1: Consulting residents on what matters to them as the council begins its thinking about meeting the challenge.
 - Phase 2: 'A Call for Evidence' - consulting residents, local and national professional organisations and think tanks on their views about how the council should go about meeting the challenge.
 - Phase 3: Consulting residents on specific service by service savings proposals before final decisions are made by elected Councillors and proposals are cast into budgets.
- The outputs from the first phase of consultation have been used to establish a set of principles against which the development of PSR options have been framed. These principles are: Fairness; Responsibility; and Quality of Life for All.
- Further evidence from the PSR Call for Evidence will be used to inform the development of savings and income generation options by elected Councillors through Council Committees.

The objectives of the PSR

6.1 The PSR was designed as a **12 month process of research and analysis to understand the scale of the financial challenge to the end of the decade, determine the council's longer-term priorities – reflecting the priorities of residents - and set a new Medium Term Financial Strategy (MTFS) to 2019/20**. The PSR process has been underpinned by **consultation**, both with residents and with local and national commentators.

6.2 As set out in **Chapter 1**, the fundamental driver of the PSR was to ensure that decisions taken by elected Councillors about how to allocate budgets across different part of the council – and the decisions required to live within those budgets – were taken on the basis of a **considered, bottom up process informed by engagement and consultation** and to avoid decisions being taken in an arbitrary, top down way. The objectives of the PSR, which were developed at the start of the process, were to:

- Develop a clear sense of the council’s longer-term strategic priorities and outcomes, through a process of engagement which reflects the aspirations of residents;
- Ensure that the council’s future strategic priorities and outcomes – and the means of delivering them – are more cross-cutting and not based around Delivery Unit silos;
- Ensure that these priorities are developed in the context of the strategic challenges facing the borough over the medium to long-term;
- Implement a process for ensuring that the council’s resources are allocated in accordance with these priorities; and
- Make decisions around spending and the allocation of resources based on evidence of impact and effectiveness.

Calculating the council’s spending envelope to 2020

6.3 The first step of the PSR was to **determine the scale of the financial challenge facing the council to the end of the decade**, by modelling the council’s budget over the period from 2016/17 to 2019/2020. In doing so, the council developed a financial model based on assumptions about the forecast level of expenditure and income in order to determine the gap between the two.

6.4 This is a forecast, which involves taking account of a number of variables, and is therefore **susceptible to change**. However, that being the case, the financial model is based on the most recent official statistics in relation to issues such as demography and inflation and is based on HM Treasury assumptions about future public spending reductions. As such, the council believes that the model **represents a credible basis upon which to base future spending plans**.

Box 5: Modelling the council’s budget to 2020

Expenditure variables modelled:

- Pay and non-pay inflation
- Assumptions relating to the North London Waste Authority levy.
- Capital financing costs.
- Contingency levels.
- Spending on concessionary fares.
- Demographic assumptions.

Income variables modelled:

- Public Health allocations.
- Business rates and top up grant.
- Revenue Support Grant.
- Council Tax income.
- Education Support Grant, Council Tax & Housing benefit admin grants.

The outputs of the model: A £72 million budget gap between 2016/17 - 2019/20

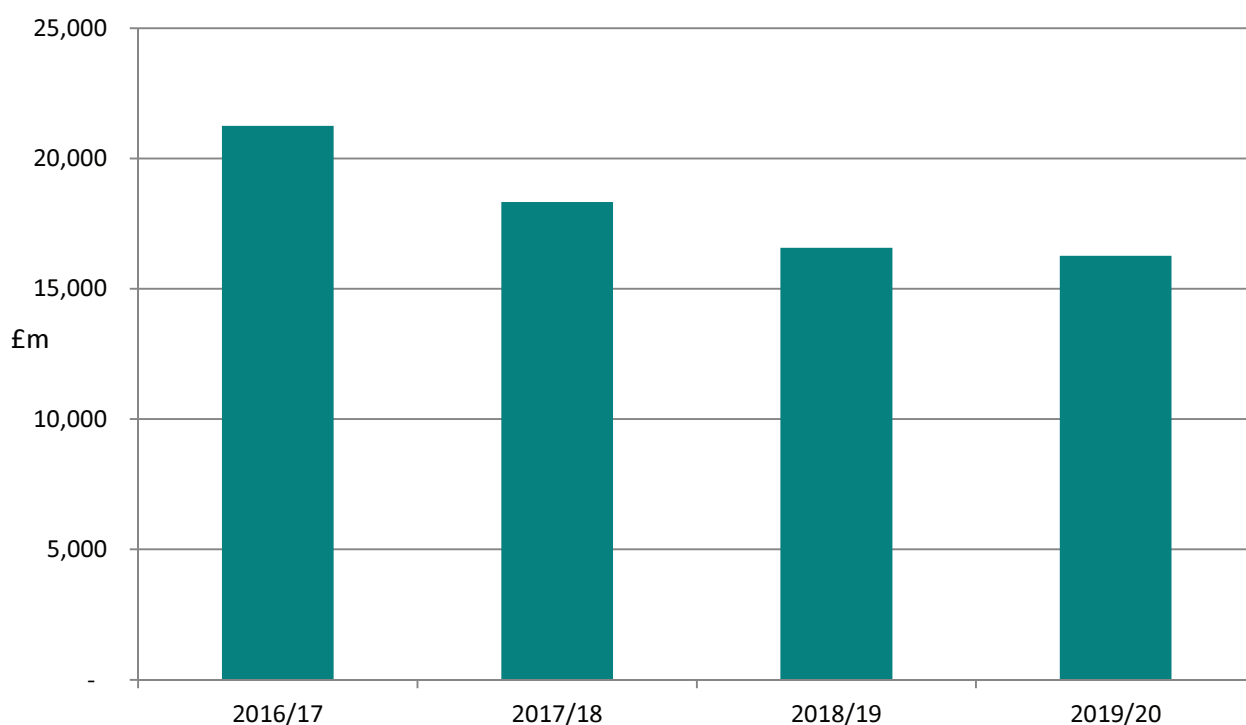
6.5 The PSR financial model was used to develop the council’s forecast budget over the period 2016/17 to 2019/20. The output of this modelling has shown that **the scale of the budget gap facing the council over the period is forecast to be £72 million**, with the following profile:

Table 1: Profile of forecast Barnet Council budget gap from 2016/17 to 2019/20

2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
21	18	17	16	72

6.6 That is to say, **the council will have £72 million less available to spend on 1 April 2020 than it does on 1 April 2016**. When combined with the £72 million reduction to the council’s budget over the period 2010-11 to 2015-16, **the council’s spending power – when factoring in inflation - will be around 50% lower at the end of the decade than it was at the start**.

Graph 1: The council’s forecast £72 million budget gap from 2016/17 to 2019/20



Developing a PSR framework

6.7 An important element of the PSR was the need to **develop a framework early on in the process in order to draw a distinction between the options being developed**. The PSR framework was based around three work streams:

Box 6: The Priorities & Spending Review Framework

1. **Be more efficient:** The development of measures to generate efficiency savings through *business* transformation programmes, workforce development, better procurement and more effective use of assets.
2. **Growth and income:** The development of measures to maximise income through increasing the tax base (housing and regeneration) and generating income for the council.
3. **Service transformation:** The development of measures plans to reduce the cost of services through the commissioning of *service* transformation programmes, taking a ‘Whole Place’ approach to service delivery across the public sector; and the de-commissioning of lower priority services.

6.8 The PSR framework served as an important mechanism for **guiding the development of options for making savings and generating income** across different parts of the organisation and with local partners.

PSR consultation and engagement

6.9 From the outset, it was the council’s intention that the PSR would be based on a process of **consultation and engagement** – not only with residents but also with local and national partners, think tanks, membership organisations and commentators. To develop options for the future of the council and for local services without basing analysis on the views and preferences of Barnet’s residents would not be feasible.

6.10 As such, the consultation strand of the PSR is perhaps the most important element of the process, as it not only grounds the development of options in the context of **what matters to residents** but it also provides a degree of **external challenge** to the council’s thinking, to ensure that it is informed by learning and best practice from elsewhere.

Box 7: Objectives of the PSR consultation and engagement

- **The objectives of the consultation strand of the PSR were to:**
 - Understand resident views about the services in their local area.
 - Identify what residents value about their local area.
 - Discuss what residents think the service priorities should be for their local area.
 - Identify whether there are areas where Barnet needs to focus its investment to meet needs and demand.
 - Understand what residents feel the priorities should be for the vulnerable in times of austerity.
 - Identify where there are opportunities and how the Council can support individuals getting more involved in their area e.g. mentoring, skills development, looking after their area, and other volunteering.

Approach to consultation and engagement in the PSR

6.11 The consultation and engagement strand of the PSR has been based around three distinct phases:

Phase 1: Consulting residents on what matters to them as the council begins its thinking about meeting the challenge

- Phase 1 was conducted by OPM – an independent research organisation – using a qualitative approach based on the use of Citizen Panel events and Focus Groups. A total of 215 residents were engaged during the first phase of PSR consultation.
- Three Citizens’ Panel workshops and 16 focus groups were held between October and December 2013 and included a reflective sample of the local population, while focus groups were targeted at specific service users, businesses and some protected characteristic groups.
- A summary of the first phase of consultation, published in February 2014, can be found at the following link: <http://barnet-challenge-opm.co.uk/wp-content/uploads/2014/03/Summary-report-phase-1-Barnet-Challenge-consultation.pdf>

Phase 2: A ‘Call for Evidence’ - consulting residents, local and national professional organisations and think tanks on their views about how the council should go about meeting the challenge

- The ‘Call for Evidence’ phase of PSR consultation is an online consultation which builds on the feedback from residents in Phase 1.
- The Call for Evidence moves from asking residents for their broad views of the borough, their priorities and council services, to asking questions of groups and organisations about how change might be brought about and the future of local public services. The Call for Evidence asks for ideas about how the council should prioritise, how it can save money and how it can generate more income.

Phase 3: Consulting residents on specific service by service savings proposals before final decisions are made by elected Councillors and proposals are cast into budgets

- The third phase of consultation will happen on specific savings and income proposals ahead of final decisions being taken by elected Councillors. Consultation on specific proposals will happen through the council’s annual Finance and Business Planning Process in the usual way.

Messages from the first phase of resident consultation and the development of a set of principles to frame the PSR: **Fairness; Responsibility; and Quality of Life**

6.12 The first phase of PSR consultation enabled the council to construct a framework for discussion on the PSR through the development of a set of **PSR principles**, based on the views of Barnet’s residents. These principles were used to frame the development of PSR options.

6.13 Specifically, the results of the consultation demonstrated the need for the council to develop a programme of transformation that supports the principles of: **Fairness; Responsibility; and Quality of Life for All**.

Box 8: Barnet's PSR principles - Fairness; Responsibility; and Quality of Life

Fairness

- The consultation demonstrates that residents value the support the council provides to the most vulnerable and there is a belief that the council should do all it can to support everyone to enjoy the advantages of life in Barnet.
- There is support for the council to help local businesses, and a belief that the council should be more entrepreneurial and market its services more widely.
- No one, unsurprisingly, identifies services for which they would pay more, but there is a great deal of support for the council being more entrepreneurial in the development process.

Responsibility

- The consultation demonstrates that, when residents come to terms with the scope of the reduction in public spending and its impact on local services, they understand the need for the council to change and that residents and voluntary organisations will have to play a bigger part in 'Keeping Barnet Barnet'.
- The deal proposed to the council though the consultation is that the council should actively make voluntary activity and community participation as simple as possible. Those consulted expressed a desire for the council to show how it is on the side of residents and businesses and is prepared to support the local community to look after itself.

A Good Quality of Life for all

- The consultation demonstrates that Barnet's parks and green spaces are very highly valued by residents and are, along with education, key indicators of quality of life in the borough. They are also areas where it may be possible to mobilise more voluntary activities.
- The council seems to be blamed in part for the failings of local high streets and there is a belief that the council needs to be a participant in developing their future.
- The consultation shows that the most frequent, heavy users of public services - those with the most to lose from change - are also the most sceptical about the scale of the financial challenge facing the council and about the need to reform services to meet that challenge.
- The consultation also demonstrates a lack of understand about the need for on-going austerity and a sense that spending cuts were now a thing of the past.

Taking account of views expressed through the PSR Call for Evidence

6.14 The **Call for Evidence** phase of the PSR consultation – which asks for views on how the council can meet the financial challenges it faces – is a crucial component of how the council will generate ideas for savings and service reform.

6.15 Responses from residents and from local and national professional bodies and think tanks as part of the Call for Evidence will be **considered, collected and presented to elected Councillors as savings and income generation proposals are developed through Council Committees.**

7. MEETING THE CHALLENGE – PSR SAVINGS AND INCOME OPTIONS

CHAPTER SUMMARY:

- The council’s total revenue budget in 2015/16 will be £280 million, with 60% of spend going on social care services for children and adults and on environmental services including waste, recycling and street cleansing. Although savings will need to be maximised across all areas of the organisation, significant reductions will need to be made from within these services if the council is going to close the £72 million gap in its finances.
- Council resources are spent mainly on 3 things: Workforce; supplies and services from third parties; and buildings and assets. In making the £72 million of savings required, the council will have to spend less across all of these areas.
- There is a clear trade-off between spending less on services and generating additional income. The council will need to consider the relative balance between spending reductions and increased income – including from Council Tax - in meeting the financial gap.
- In total, the PSR has identified options that have the potential so save the council up to £50.8 million through reduced spending and increased income over the period from 2016/17 to 2019/20 and go towards closing the £72 million budget gap.
- The options identified through the PSR can be categorised as follows:

Category	Potential £m
Increasing organisational efficiency	24.4
Reducing demand, increasing independence	10.0
Service redesign	6.2
Growth and Income	10.2
Total	50.8

- Of the total £50.8 million identified, nearly half (48%) come from increasing efficiency. Of the remainder, 20% comes from reducing demand and increasing independence; 20% from the proceeds of growth and taking a more entrepreneurial approach to maximise income; and 12% from redesigning and integrating services.
- It will be for elected Councillors to decide whether to take the options forward to implementation, through decisions at Council Committees and informed by public consultation. In order to transact this, the PSR has categorised the options identified according to areas of responsibility for each Committee.

7.1 As set out in **Chapter 6**, financial modelling shows that the council is facing a forecast budget gap of £72 million over the period from 2016/17 to 2019/20. This chapter focuses on **the options for making savings and generating income for closing that gap that have been identified through the PSR.**

7.2 Options have been developed by council officers, working with the council’s public sector and wider strategic partners and drawing on feedback from resident consultation. **It will be for elected Councillors, as representatives for Barnet’s residents, to determine which of these options – and others that the council will continue to develop – will be taken forward through**

to implementation, following public consultation on specific proposals. Many of the options will require further iteration and development to ensure that the associated risks and barriers to delivery are identified and mitigated as business cases for each option are developed.

Barnet’s total budget

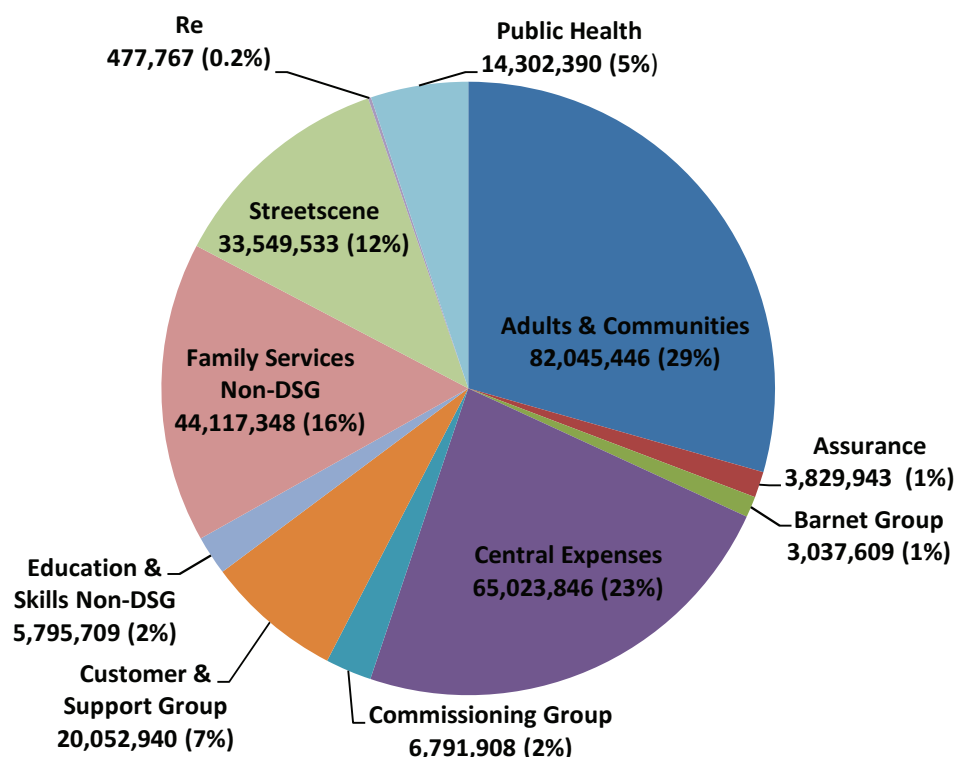
7.3 Before outlining the PSR options, it is important to set the context by considering how the council’s current budget is currently constructed and, therefore, where savings will need to be made.

7.4 The council’s total base net budget position in 2015/16⁹ will be £280 million (excluding the dedicated schools grant). This is £72 million lower than the council’s base budget in 2010/11, before the first round of spending cuts were passed on from Government.

7.5 Of this £280 million, the majority of council spending is allocated to three main areas which make up over 60% of the budget:

- Adult Social Services - £82 million (29%);
- Children’s Services (Family Services and Education & Skills combined) - £50 million (18%); and
- Streetscene (parks, environment, street cleaning) - £33.5 million (12%).

7.6 This means that, in order to negotiate a further budget reduction of £72 million by 2020, a large proportion of savings will need to be found from within these three budget areas.



⁹ 2015/16 is the final year of the council’s current Medium Term Financial Strategy period and represents the baseline for the new MTFS through to 2020.

7.7 Savings will need to be found from within the **central expenses budget**, which includes spending on **staff redundancy, concessionary fares, levies, contingency and the financing of new school builds**.

How the council budget is spent

7.8 In general, Local Authorities spend their resources in **three main areas**. This means that, if the council is going to spend less, it follows that spending on one or all of these three things will need to reduce:

- **Workforce costs** – at the beginning of 2016/17, Barnet will spend £66 million a year on its workforce.
- **Supplies and services from third parties** – at the beginning of 2016/17, Barnet will spend £177.5m a year on supplies and services from third parties.
- **Buildings and assets** - at the beginning of 2016/17, Barnet will spend £4.9m a year on buildings and assets.

7.9 There is a **clear trade-off between spending less on services and generating more income**. Local Authorities can raise income by:

- **Increasing fees and charges** for a range of council services.
- **Changing eligibility criteria** for access to certain services.
- **Commercialising services**.
- **Increasing the Council Tax rate** – increasing Council Tax by 2% raises roughly £2.5m a year.
- **Changing the Council Tax contribution rate** for those eligible for Council Tax support.
- **Growing the tax base** – by building more residential properties and encouraging more enterprise and commerce.

7.10 As the council takes decisions about how to achieve a further £72 million of savings over the latter half of the decade, it will need to consider **the balance not only between how savings are made – for instance, savings to workforce, suppliers and assets – but also the relative balance between spending reductions and increased income**.

Categorising the options developed through the PSR

7.11 As the PSR process progressed and the evidence base developed, opportunities for saving money and increasing income began to emerge. Analysis of these emerging options identified a level of commonality between them, which led to the development of **four categories of intervention** that the council should consider as it puts in place the reforms required to meet its future financial challenges.

7.12 The **four PSR themes** are:

Box 9: Priorities & Spending Review themes

1. **Increasing organisational efficiency** – Opportunities for the council to become more efficient without discernibly affecting the quality of services to residents (i.e. doing more – or the same – with less).
2. **Reducing demand, increasing independence** – With less money and rising demand, both the council and the borough's residents will need to behave differently. The council will need to focus on enabling residents to help themselves and each other. This will be achieved through a variety of means:
 - Intervening where needed in a targeted way, with the aim of reducing reliance on public services state.
 - Investing in preventative services, such as better targeting of early years support to prevent young people from entering social care services.
 - Enabling residents to take greater personal and civic responsibility, through the development of a new relationship with residents based around greater transparency, engagement and involvement in local services.
3. **Service redesign** – Adopting a first principles approach to how the council fulfils a number of its statutory and non-statutory obligations has revealed opportunities to re-design services in a way that better targets support to those who used services and reduce cost, including through greater integration across public sector agencies.
4. **Growth and Income** - Regeneration and measures to boost local economic growth will increase the council's residential and commercial tax yield. There are also opportunities to raise additional income from fees and charges, in areas where it is legally viable and in a way that is fair to the users of services.

Options for savings and income generation identified through the PSR

7.13 Through the PSR process, **the council has identified options to make savings and increase income across the organisation which total approximately £50.8 million over the period from 2016/17 to 2019/20.**

7.14 The **total financial benefit of the PSR options package may change due to differing degrees of risk involved in delivering the options.** The £50.8 million value should therefore be seen as an **approximate figure** at this stage, pending further analysis through the development of detailed **business cases.**

Box 10: PSR options – financial summary:

- **In total, the PSR has identified £50.8 million of savings and income generation options over the period 2016/17 to 2019/20 towards closing the total forecast budget gap of £72 million over the period.**
- **The options identified have been categorised as follows:**

Category	Potential £m
Increasing organisational efficiency	24.4
Reducing demand, increasing independence	10.0
Service redesign	6.2
Growth and Income	10.2
Total	50.8

- **Of the total £50.8 million of options identified, nearly half (48%) come from options for increasing organisational efficiency.**
- **Of the remainder, 20% comes from options for reducing demand and increasing independence; 20% from the proceeds of growth and increased income; and 12% from service redesign and integration.**

Proposed share of PSR options allocated to Council Committees

7.15 The PSR process has identified the scope for generating savings and increasing income **across all areas of the council**, by analysing spending on items such as **workforce and contracts** within each of the council’s Delivery Units and the central directorates (the Commissioning Group and Assurance Group). Through detailed analysis, **the PSR has identified a quantum of savings that it would be feasible to make within each Delivery Unit by going further on organisational efficiency and also through the redesign of services.**

7.16 Now that the PSR process has concluded, **it will be for elected Councillors to take decisions on whether to take the proposals set out in this report forward through to implementation, through decisions at Council Committees.** In order to transact this, the PSR options have been categorised according to areas of responsibility for each Committee.

7.17 It is proposed that the £50.8 million of PSR options are allocated to the 7 Council Committees and the Health and Well Being Board according to the following share:

Council Committee	Share of PSR options £m	% of total budget overseen by Committee
Adults and Safeguarding Committee	12.6	16%
Children, Education and Libraries Committee	8.0	16%
Environment Committee	5.9	18%
Community Leadership Committee	0.8	48%
Assets, Regeneration and Growth Committee	10.1	24%
Policy and Resources Committee	12.7	
Health and Well Being Board	0.7	5%
Total	50.8	100

7.18 It will be for each Council Committee to **work through the detail of the options set out in this report – through the development of detailed business cases and the commissioning of further analysis where required – and take final decisions on which options to implement.**

PSR savings and income options by Council Committee – detail

7.19 This section sets out **further detail on the PSR options that will go to Committees for consideration and decision.**

Adults and Safeguarding Committee – savings of £12.6m

7.20 The **Adults and Safeguarding Committee** will have oversight of how the council delivers adult social care through the Adults and Communities Delivery Unit. As the council’s largest internal Delivery Unit, with a total revenue budget of **£82 million**¹⁰ (29% of the council’s total budget), a significant proportion of savings will need to be found from within the Adults and Communities Delivery Unit in order for the council to close the gap in its total budget.

7.21 The PSR has identified scope to make **organisational efficiency savings of approximately £4.7 million by 2019/20** through a range of measures, including:

- **A 10% reduction in workforce spending by 2019/20 (2.5% a year from 2016/17 to 2019/20), in order to save £1.5 million.** Savings will be achieved by **increasing workforce productivity, reviewing Terms and Conditions and reducing layers of management** within the Adults and Communities Delivery Unit.
- Savings of approximately **£2.6 million by 2019/20** by **re-procuring key contracts, bearing down on external suppliers and improving contract management to drive down costs.**

7.22 Around £79 million is spent by the council each year on **adult social care costs**, which includes spending on personal budgets for care and support, domiciliary care and equipment to

¹⁰ 2015/16 Medium Term Financial Strategy

support people in their own homes, as well as residential and nursing care placements. It is the council’s ambition to **support more people with care and support needs to remain in their own community and home for as long as possible, to improve their quality of life and to reduce demand on high cost residential care placements.**

7.23 The PSR has identified the opportunity for savings of approximately £6.9 million by 2019/2020 through measures to **target support and develop a wider range of housing options for residents with dementia and learning disabilities - and their families – which allows them to live at home for longer and support themselves more.**

7.24 Similarly, **the PSR has identified further savings opportunities totalling £1m through integrated working with the NHS and redesigning services** to ensure that older people receive co-ordinated, joined up care services that reduce duplication and better anticipate and respond to their needs.

Summary:

- The PSR has identified options to increase the financial benefit to the council by approximately **£12.6 million** in the Adult and Safeguarding Committee’s area of responsibility area, through the following means:

Improving organisational efficiency, including:	Approximately £4.7 million
<ul style="list-style-type: none"> • Measures to improve workforce productivity, review of Terms and conditions and reducing management overheads within the council’s Adults and Communities Delivery Unit. • Re-procuring key contracts and improving contract management to drive down contract and supplier costs. 	
Reducing demand and promoting independence, including:	Approximately £6.9 million
<ul style="list-style-type: none"> • Measures to help older people with dementia live at home for longer, reducing the demand for social care services. • More effective, targeted support to younger people with learning difficulties to support their growth into early adulthood. • Targeting social care assessment processes on those that are most in need. • Increasing disabled facilities grants and housing adaptations to allow people to live at home for longer, reducing the demand for social care services, and building more extra care housing. 	
Redesigning services, including:	Approximately £1.0 million
<ul style="list-style-type: none"> • Integrating service provision and commissioning so that conditions associated with frail elderly residents are managed and supported more effectively. 	
TOTAL	Approximately £12.6 million

Children, Education and Libraries Committee – savings of £8.0 million

7.25 The **Children, Education and Libraries Committee** will have oversight of the council's Children and Family Services, which is made up of the **Family Services** and **Education and Skills Delivery Units**.

7.26 Combined, **spending on Children and Family Services accounts for approximately 18% of the council's total annual budget (£49.9 million in 2015/16)**, which represents the **second largest area of council spend**. As with the Adults and Communities Delivery Unit, the council will need to make significant savings from within Children and Family Services if it is to successfully close its overall budget gap.

7.27 The PSR has identified scope to make **organisational efficiency savings of approximately £2.3 million by 2019/20**, through a range of measures within Family Services, including:

- A **10% reduction in workforce spending by 2019/20 (2.5% a year from 2016/17 to 2019/20), in order to save £1.8 million**. Savings will be achieved by **increasing workforce productivity**, reviewing **Terms and Conditions** and **reducing layers of management**.
- Savings of approximately £0.5 million by **re-procuring key contracts, bearing down on external suppliers and improving contract management to drive down costs**.

7.28 Within the **Education and Skill Delivery Unit**, the PSR has identified the opportunity for **an alternative delivery model for the provision of services to schools, to deliver efficiency savings, increase income and ensure the continued provision of high quality services through a partnership approach that brings together resources from different sectors**.

7.29 The PSR has identified options for a **reconfigured early years model** which will enable Barnet to better focus on **increasing early years standards for all** and **better identify, support and signpost the most vulnerable families in the borough**. This will reduce the number of cases escalating to the point that a social care intervention becomes necessary.

7.30 The PSR has identified the opportunity to improve outcomes for looked after children and generate savings by **positioning Barnet as an excellent borough in which to be a foster carer**. This includes investing in an enhanced support offer for foster carers that enables more foster care support to children, including those with complex needs, and reduces spending on more expensive external placements.

7.31 The PSR has also identified opportunities for a revised **Libraries Strategy**, based on an evidence led review of Barnet's libraries to identify a new model of library services which utilises the latest technology to increase efficiency whilst maintaining a comprehensive network.

Summary:

- **The PSR has identified options to increase the financial benefit to the council by approximately £8.0 million in the Children, Education and Libraries Committee's area of responsibility, through the following means:**

Improving organisational efficiency, including:	Approximately £2.3 million
<ul style="list-style-type: none"> Measures to improve workforce productivity, review of Terms and conditions and reducing management overheads within the council’s Family Services Delivery Unit. Re-procuring key contracts and improving contract management to drive down contract and supplier costs. 	
Reducing demand and promoting independence, including:	Approximately £0.5 million
<ul style="list-style-type: none"> Measures to increase the number of children and young people in living in local Barnet foster homes and providing enhanced support to prevent placements breaking down and triggering more expensive residential placements. 	
Redesigning services, including:	Approximately £5.1 million
<ul style="list-style-type: none"> Considering the option of an Alternative Delivery Model for the Education and Skills service, in order to ensure the continued provision of high quality services through a partnership approach that brings together resources from different sectors. Re-shape and re-focus the early years offer to provide better-targeted early support and signposting for families, reducing the number of children and young people who require costly higher level social care interventions. An evidence led review of Barnet’s libraries to identify a new model of library services which utilises the latest technology to increase efficiency whilst maintaining a comprehensive network. 	
TOTAL	Approximately £8.0 million

Environment Committee – savings and income of £5.9 million

7.32 The PSR has identified a package of **efficiency measures totalling £2.4 million** within the Streetscene Delivery Unit which seeks to **improve the productivity and effectiveness of four key services - refuse and recycling, grounds maintenance, street cleansing and vehicle maintenance**. The changes include **root and branch reviews of: Service need; delivery rounds; operational hours; staff productivity; and Terms and Conditions**.

7.33 In **street cleansing**, there will be greater mechanisation, a review of Town Centre teams and a review of all routes to **ensure resources are precisely targeted**. In **refuse and recycling**, a similar approach will be taken with respect to rounds, use of vehicles, routing and the on-going development of a range of new recycling services. These **efficiency and productivity changes** will be implemented in each of the four services as part of a **data led transformation project** which seeks to **maximise effectiveness and reduce cost**.

7.34 The PSR has also identified the potential for efficiencies by **bearing down on contract costs with current suppliers**, for example in **street lighting and in the re-procurement of the parking operations contract**; the on-going **internalisation of fleet operations**; and an **open exploration of what else the market or community organisations could bring in efficiency**

savings to street scene services and other elements of the service such as the **household waste recycling centre** and the **community management of bowling greens**.

7.35 In terms of **service demand**, the biggest area of spend is on **waste disposal and waste collection**, with annual budgets of £15.5 million and £6 million respectively. Barnet currently ranks 29th out of 33 London boroughs in the league table of **tonnes of waste produced per household**, and pays a fifth of the entire levy to the North London Waste Authority (NLWA), despite being only 1 of 7 boroughs to contribute. Whilst the borough is large and has a large number of households, more pro-active work that can be done to improve this and reduce costs. This is an area of substantial focus and has the potential to **deliver approximately £2.7 million in savings**. This will be achieved through **establishing good data about future demand; the development of a commissioning policy; active client management of the NLWA relationship to get the best deal for Barnet; and continuing to expand recycling and getting a better price for recycled materials**. It will also be achieved by working creatively with residents so that they can take reduce the amount of waste produced.

7.36 The PSR has identified opportunities to **maximise the use of parks and open spaces to generate income in a responsible way**, by looking at assets such as cafes and buildings in parks; sports pitches and the potential to develop these and other sporting facilities; and to take a commercial approach to a number of services, for example trade waste sales, and **the sale of the cleansing and grounds maintenance to the commercial sector**.

Summary:

- The PSR has identified options to increase the financial benefit to the council by approximately **£5.9 million** in the Environment Committee’s area of responsibility, through the following means:

Improving organisational efficiency, including:	Approximately £2.4 million
<ul style="list-style-type: none"> • Implementing a programme of operational change to optimise resources and deliver improvements in productivity across refuse and recycling, grounds maintenance, street cleansing and vehicle maintenance services. • Re-procuring key contracts and improving contract management to drive down contract and supplier costs. • Examining how alternative delivery models may deliver improved outcomes for waste and recycling, parks and street cleansing at lower cost. • Changes to the management and costs of disposing of waste. 	
Reducing demand and promoting independence, including:	Approximately £2.7 million
<ul style="list-style-type: none"> • Working with residents and community groups to achieve a reduction in the amount of waste generated and considering the frequency of waste collection to help achieve this. 	
Promoting growth and raising income, including:	Approximately £0.8 million
<ul style="list-style-type: none"> • Exploiting commercial opportunities to sell services to businesses and private land owners. • Increasing income from better utilisation across the parks and open spaces asset portfolio. 	
TOTAL	Approximately £5.9 million

Assets, Regeneration and Growth Committee – savings and income of £10.1 million

7.37 As set out in **Chapter 4**, the council will benefit significantly over the PSR period through its major regeneration schemes, which will increase the residential and business related tax base through the construction of houses and commercial properties. In total, the PSR forecasts that the council will receive an additional **£5.6 million** over the period 2016/17 to 2019/20 as a result of **planned regeneration and development activity**.

7.38 In addition, the PSR has also identified the **opportunity for efficiency savings** of up to **£4.5 million** by 2019/20, through a range of measures including **reducing office accommodation costs** and **increasing income from council owned assets**; **increasing energy efficiency** across the council’s estate; re-procuring key contracts and improving contract management to **drive down contract and supplier costs**; and **capitalising regeneration-related expenditure**.

Summary:

- The PSR has identified options to increase the financial benefit to the council by approximately **£10.1 million** in the Assets, Regeneration and Growth Committee’s area of responsibility, through the following means:

Improving organisational efficiency, including:	Approximately £4.5 million
<ul style="list-style-type: none"> • Reducing the cost of office accommodation and increasing income through more effective use of council owned assets. 	
<ul style="list-style-type: none"> • Increasing the energy efficiency of the council estate. 	
<ul style="list-style-type: none"> • Re-procuring key contracts and improving contract management to drive down contract and supplier costs. 	
<ul style="list-style-type: none"> • Capitalisation of regeneration-related expenditure. 	
Promoting growth and raising income, including:	Approximately £5.6 million
<ul style="list-style-type: none"> • Growing the council’s residential and business related tax base as a result of regeneration and development activity. 	
TOTAL	Approximately £10.1 million

Policy and Resources Committee – savings and income of £12.6 million

7.39 The PSR has identified opportunities for **organisational efficiency savings** across the areas of the organisation which will be overseen by the **Policy and Resources Committee** – in particular the council’s **Commissioning Group and Assurance Group** – with **a package of efficiency measures which has the potential to save up to £9.2 million**.

7.40 This includes **savings to workforce costs within the Commissioning and Assurance Groups**, where **a 10% workforce saving across both groups will save approximately £630,000 by 2019/20** and is in line with workforce savings that are recommended within Delivery Units.

7.41 In addition to greater workforce productivity, the PSR has identified a range of **further efficiency measures** including **reducing IT and printing costs** across the council; re-procuring key contracts and improving contract management to **drive down contract and supplier costs**; cutting spending on **membership fees and subscription costs**; bearing down on **redundancy costs**; options for **reducing finance and borrowing costs**; and reviewing **Councillor allowances**.

7.42 The PSR has identified the potential for savings by **combining commissioning and corporate functions with another Local Authority, including the sharing of senior management team posts**, which could save up to **£600,000 if a partner Authority could be identified**.

7.43 There is a **clear trade-off between the amount that the council will need to cut from public service budgets and the amount of revenue that can be generated through fees and charges**. The PSR has identified options to **increase council income by raising fees and charges across a range of council services**, where it is legally viable to do so, by a moderate amount in order to reduce the level of cuts to service budgets.

7.44 Additional income could also be generated by **reviewing the level of Council Tax contribution from those eligible for Council Tax Support**, although further modelling will be required to determine the potential impact on the levels of personal indebtedness by those affected and potential debt write offs to the council.

Summary:

- The PSR has identified options to increase the financial benefit to the council by approximately **£12.6 million** in the Policy and Resources Committee’s area of responsibility, through the following means:

Improving organisational efficiency, including:	Approximately £9.2 million
<ul style="list-style-type: none"> • Measures to improve workforce productivity, review of Terms and Conditions and reducing management overheads (including sharing management post with other Local Authorities) within the council’s Commissioning and Assurance Groups. • Re-procuring key contracts and improving contract management to drive down contract and supplier costs. • Reducing subscription costs and membership fees to a minimum across the council. • Rationalising IT and printing costs across the council. • Bearing down on redundancy costs. • Reducing finance and borrowing costs. • Sharing corporates services (for example, emergency planning, audit, business continuity) with another Local Authority. • Reviewing Councillor allowances. 	
Promoting growth and raising income, including:	Approximately £3.4 million
<ul style="list-style-type: none"> • Considering moderate increases to a range of fees and charges, where it is legally viable to do so, to help off-set the level of cuts to service budgets. • Considering changes to Council Tax support and reviewing the level of Council Tax contribution from those eligible for support. 	
TOTAL	Approximately £12.6 million

Community Leadership Committee – savings of £0.8 million

7.45 The PSR has identified a **package of measures which could save up to £800,000 in the budget areas overseen by the Community Leadership Committee**, in particular through alternative delivery models in relation to the provision of services related to community safety.

7.46 There are opportunities to generate operational efficiencies of approximately £200,000 in the delivery of the borough’s **CCTV services**. Going further, **the council could save an additional £600,000 by moving to a full cost recovery model of CCTV provision**, which would include charging businesses and commercial properties that benefit from the existence of CCTV cameras.

Summary:

- The PSR has identified options to increase the financial benefit to the council by approximately **£0.8 million** in the Community Leadership Committee’s area of responsibility, through the following means:

Improving organisational efficiency, including:	Approximately £0.2 million
<ul style="list-style-type: none"> • Operational efficiencies in the delivery of the borough’s CCTV services. • Cancellation of the MOSAIC contract and using resources provided by the council’s Customer and Support Group partner. 	
Promoting growth and raising income, including:	Approximately £0.6 million
<ul style="list-style-type: none"> • Considering moving to a full cost recovery model for the borough’s CCTV services 	
TOTAL	Approximately £0.8 million

Health and Well Being Board – savings of £0.7 million

7.47 The PSR has identified options to create efficiency savings through the **re-procurement of sexual health services across the borough**, overseen by the **Health and Well Being Board**. In total, approximately £4.4 million is spent on sexual health services in Barnet, funded from the Public Health grant. This includes spending on services provided in Sexual Health Clinics, such as Family Planning and STI and HIV testing and treatment.

7.48 The opportunity for savings identified involves the creation of **integrated sexual health services** - incorporating family planning and STI/HIV services into one seamless structure – which will tackle current issues of accessibility and fragmentation. This will **expand community provision** and **drive down the unit costs of care**.

Summary:

- The PSR has identified options to increase the financial benefit to the council by approximately **£0.7 million** in the Health and Well Being Board’s area of responsibility, through the following means:

Improving organisational efficiency, including:	Approximately £0.7 million
<ul style="list-style-type: none"> • Re-procurement of sexual health services across the borough. 	
TOTAL	Approximately £0.7 million

8. THE IMPACT OF THE PSR ON CLOSING THE BUDGET GAP AND OPTIONS FOR GOING FURTHER

CHAPTER SUMMARY:

- In total, the PSR package of options has the potential to save up to £50.8 million by 2019/20, against the council's forecast budget gap of £72 million. This means that there will be a £21 million shortfall, even if the full package of PSR options were implemented and the estimated quantum of savings realised.
- In terms of the expected profile of how the estimated benefits generated by the PSR options accrue, the forecast budget gap of £21 million in 2016/17 would be eradicated and the forecast gap of £18 million in 2017/18 would be substantially closed, with a remaining gap of £5.3 million in that year.
- However, the financial gap in the final two years of the decade remains significant, at £6.7 million and £9.5 million respectively.
- This suggests that, through the implementation of the options identified via the PSR – and assuming the maximum level of savings is achieved - it is feasible for the council to reach a balanced budget position up to 2017/2018, although this will require some very difficult decisions.
- Looking further ahead, it is clear that it is the latter two years of the decade in particular – 2018/19 and 2019/20 – where a significant budget gaps remains, even if all the PSR options were implemented.
- The council will continue to work and innovate as it attempts to close the gap and it will be for elected Councillors to determine the ratio of spending reductions versus tax increases in meeting the shortfall.
- The council will also need further flexibilities from central Government to fully close the gap, through greater financial devolution – particularly in London - and increased flexibility across the Local Government Finance System to incentivise growth and generate further efficiencies.

The impact of PSR options against the forecast £72 million budget gap to 2019/20

8.1 The table and graph below illustrates **the potential impact that implementing the package PSR options could have on reducing the council's forecast £72 million budget gap to 2019/20, should they all be taken forward**. Given that the potential financial benefit from the entirety of the PSR package totals £50.8 million, **it is clear that a significant shortfall – some £21 million - will remain and that further change will be required for the council to reach a balanced budget position by 2020**.

2017/18: The year of challenge

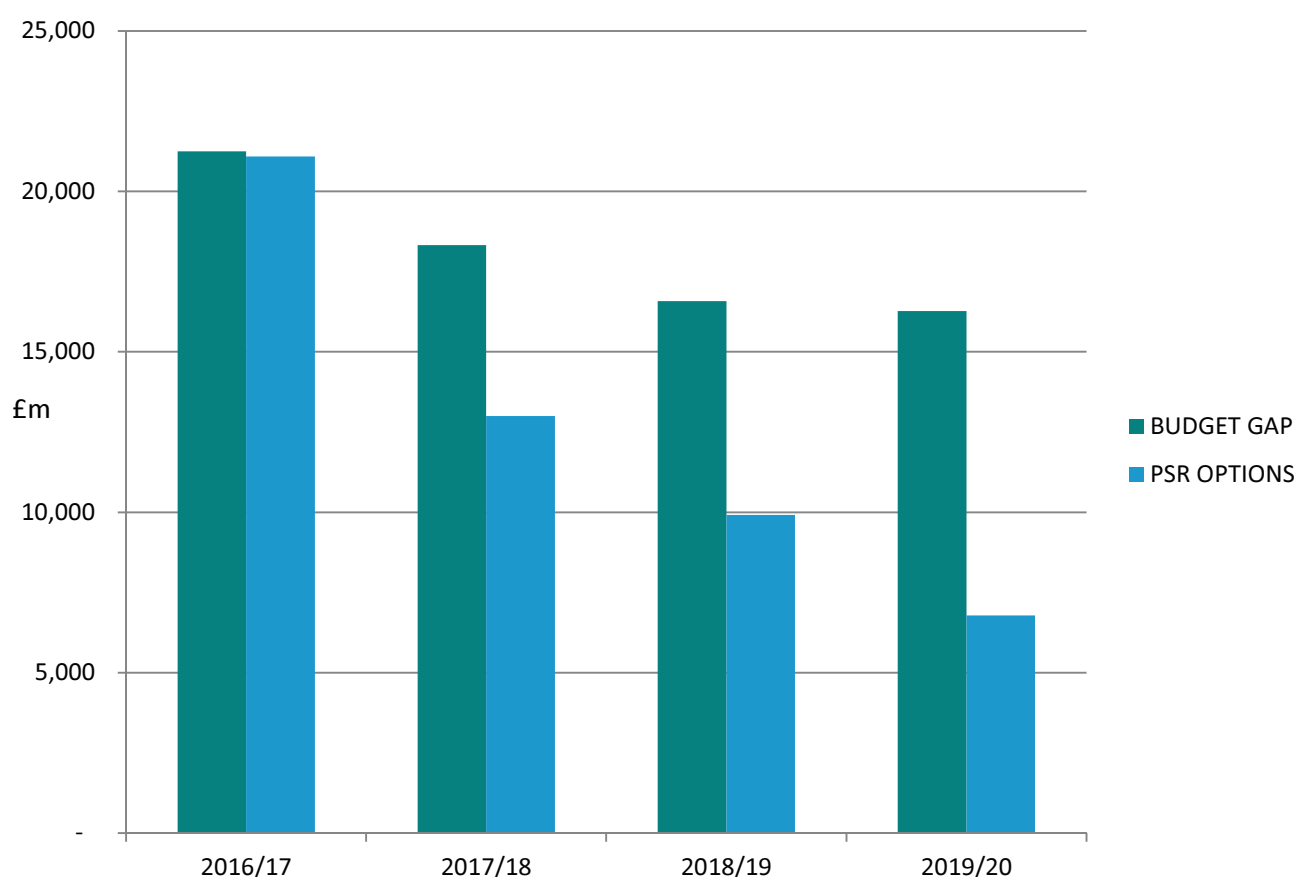
8.2 In terms of the expected **profile** of the savings and income options outlined, the graph illustrates that, if Council chose to implement the full package of PSR options outlined in this report, and assuming the total quantum of savings were to be realised, **the forecast budget gap of £21 million in 2016/17 would be eradicated** and **the forecast gap of £18 million in 2017/18 would also be substantially closed**, with a shortfall of £5.3 million in that year.

Table 2: Estimated gap if all PSR proposals were implemented and estimated quantum of savings achieved

2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
0	5.3	6.7	9.5	21.5

8.3 However, **the financial gap in the final two years of the decade remains significant at £6.7 million and £9.5 million respectively.** This suggests that, through the implementation of the options identified via the PSR – and assuming the maximum level of savings is achieved - **it is feasible for the council to reach a balanced budget position up to 2017/2018**, although this will require some very difficult decisions to be taken by elected Councillors.

8.4 Looking further ahead, it is clear that it is the **latter two years of the decade in particular – 2018/19 and 2019/20 – where a significant budget gaps remains.**



Closing the remaining budget gap to 2020

8.5 **The council will continue to innovate as it attempts to meet the shortfall** – going further in working with the wider public sector and other local strategic partners to co-locate and integrate services both at the local level and regionally. However, it is likely that other factors will need to come into play for the budget gap to be fully closed.

8.6 For example, **it will be for elected Councillors to determine the right balance between the scale of spending reductions and tax** increases that will be required to reach a balanced budget and, as part of this, **the appropriate level at which Council Tax is set in future years.**

8.7 The outcome of the PSR suggests that, although Barnet will leave no stone unturned as it seeks to unlock **further efficiencies, redesign and integrate services**, and **become more entrepreneurial** in order to maximise income, the council – and Local Government in general – **will require greater devolution and funding flexibility to be passed on by central Government in order to fully meet the scale of the challenge to 2020.**

8.8 The PSR has identified a number of issues which have an impact on Barnet's resources but provide limited benefit to the borough and over which the council has no control due to statutory requirements. One such example is the council's contribution to the **Lee Valley regional park**, to the east of Barnet, to which the council makes an annual contribution of £400,000 even though the park is not a part of the borough. Although reducing spending in this area would help the council to close its remaining budget gap, it is unable to implement reforms because of a **statutory requirement** placed on the council.

8.9 To fully close the gap, **Government will need to devolve more control and more funding to Local Authorities**; it will need to **loosen the reins on the Local Government finance system** and **provide more flexibility to promote integration and incentivise growth**; and it will need to be **more coordinated in the way it engages and works with Local Government.**

The need for greater financial devolution to Local Government

8.10 **Increased financial devolution** has the potential to significantly support Local Authorities as they deal with the on-going impact of austerity and rising demand. The financial sustainability of Local Government will increasingly be a function of **its ability to manage and share financial risk with other local public service partners** and, in so doing, **achieving savings and service reform 'across the system'**. It will also be the product of **local measures to achieve economic growth, so long as the benefits of that growth are retained locally to fund services and investment.** For this to happen, it will require **significant financial decentralisation.**

8.11 Opportunities to **promote economic growth, jobs and housing** that would arise from investments funded by **locally retained business rates** and the **removal of the Housing Revenue Account debt cap** suggest the need for **greater sub-regional working, particularly across London.**

8.12 London can learn from the experience of other regions and sub-regions when developing **appropriate financial governance arrangements** to support joint **'City Deal' type working at a sub-regional level.** Substantial sub-regional borrowing, investment, programme management

and benefits distribution require robust financial governance and this in turn implies the need for decision making entities that can bear financial risk and be accountable.

8.13 In Manchester, this joint working is enabled through a **Combined Authority** arrangement which has responsibility for transport, economic redevelopment and regeneration functions on behalf of the ten constituent authorities. It has also pooled transport funding to establish a £1.2 billion programme, mostly funded through Prudential Borrowing, with an initial levy on constituent authorities and the capture of future business rates income stream on an earn back basis.

8.14 **Combined Authority Arrangements are currently only available to authorities outside of Greater London.** In other words, London Boroughs are currently excluded from establishing Combined Authorities, thus reducing their ability to conceive and execute investment opportunities at a sub-regional level. Without reform, this is likely to become an increasingly limiting factor as London Boroughs develop plans for meeting the financial challenges ahead.

Next steps

8.15 **The publication of this report marks the end of the PSR process.** The council will now move into the 'business as usual' process of setting its budget, where elected Councillors takes decisions to set **a new Medium Term Financial Strategy** to the end of the decade, **with annual budgets agreed through the Finance and Business Planning Process.**

8.16 Barnet will move to a **Committee system of governance** from June 2014. This new system – which will **include representation from all locally elected political parties** – will ensure that the options available to the council to save money and maximise its income in a fair and legal way are **debated and agreed in openly and transparently**, with each Committee taking final decisions regarding the options for closing the council's overall budget gap.

Appendix B: Community Leadership Information Pack

Contents
1.1 Community Leadership An outline of the priorities for the year (Corporate Plan/Management Agreement) Scope of services provided by Delivery Unit (including client base for each service)
2.1 Overview of Finance Headline Budget Information including previous year spend comparison (with link to budget book 2014/15)
3.1 Past Performance and Resident Satisfaction Most recent published performance and results from the spring 2014 Resident Perception Survey
4.1 Overview of Human Resources Current establishment (as 31 May 2014) and salary distributions
5.1 Links to other information and data

DRAFT

1.1 Community Leadership

The current priorities set out in the Corporate Plan are to:

- Support families and individuals that need it through promoting independence, learning and well-being: through high quality early years provision to give children the best start in life, ensuring support for children with SEN and/or disabilities and identifying and meeting the needs of vulnerable pupils.
- Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study: through ensuring that Barnet's schools are high performing and that every child can access a school that is at least good.
- Create the right environment to promote responsible growth, development and success across the borough: through ensuring that young people are equipped with the learning and skills to progress into adulthood and that schools work in partnership to identify and meet the needs of Barnet's current and future economy.

The objectives and indicators in the Corporate Plan pertinent to the Community Leadership Committee are:

Objective	Indicator	Recent outturn
To maintain a well-designed, attractive and accessible place, with sustainable infrastructure across the borough	Increase residents' satisfaction with their local area as a place to live	87%
To promote family and community well-being and encourage engaged, cohesive and safe communities.	Increase in community confidence in police and the local authority dealing with crime and anti-social behaviour	78%
	Reduction in repeat offending of those on the probation caseload – Baseline of 7.8 per 1,000 population	7.2%
	Reduced level of domestic burglary to 24.80 per 1,000 households	24.8

Commissioning Priorities

The corporate plan priorities are underpinned by a set of Management Agreement Indicators which will measure the delivery of commissions across the service:

Top Priorities	Measures of Success
Ensure that there is clarity of responsibilities across the Safer Communities Partnership and Safeguarding Boards for a co-ordinated approach to address violence against women and girls and that effective drug and alcohol	<ul style="list-style-type: none"> • Strategic crime needs assessment (2014) completed and priorities identified • New Community Safety Strategy (2014-17) in place supported by clear delivery plans and partnership KPI's to track performance • Clarity of responsibility across the SCPB

Top Priorities	Measures of Success
services are delivered	<p>and the Safeguarding Board for a co-ordinated approach to address violence against women and girls</p> <ul style="list-style-type: none"> • Closer working developed between public health, CCG and the SCPB on substance misuse with clarity on the responsibilities across the SCPB and the Health and Well Being Board Strategy and action plan agreed by Safer Communities Partnership Board and Safeguarding Board. • Contribute to the review of drug and alcohol services (led by the public health team) and subsequently to contribute to the development of new services models for recommissioning / reprocurement.

2.1 Finance information

	2014-15 net (£000s)	2015-16 net (£000s)
<i>CCTV</i>	843	843
<i>Community safety</i>	216	216
Adults and Communities	1,059	1,059
<i>Grants Budget</i>	182	182
<i>Communications</i>	419	419
<i>Mayoral & Civic</i>	228	228
<i>Mosaic Contract</i>	-	10
Commissioning Group	829	898
TOTAL	1,888	1,898

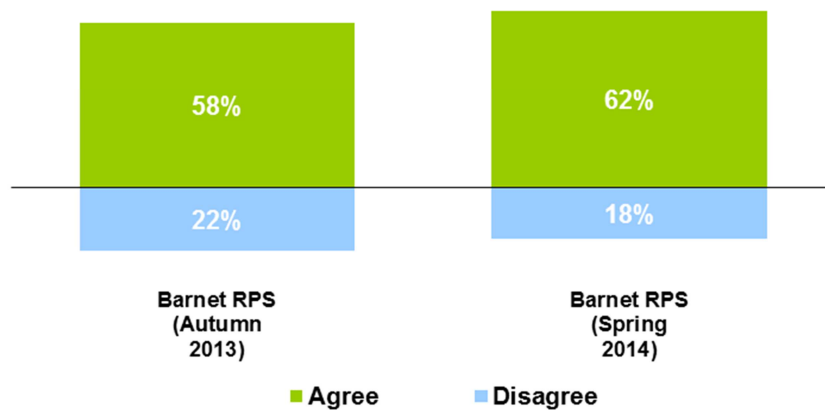
3.1 Past Performance and Resident Satisfaction

Bottom London boroughs (excl. City)			Top London boroughs (excl. City)
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<u>Community Safety</u>	Barnet	London Average	England Average
Reduce adult reoffending for those under probation supervision per 1000 caseload	7.7	7.92	-
Reduce level of domestic burglary to 24.8 per 1,000 households	20.3	16.92	-

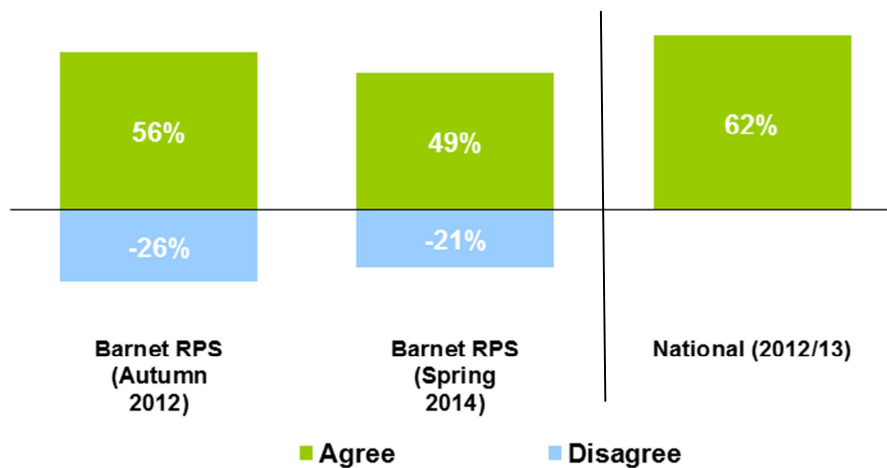
Resident Perception Survey

Q How much do you agree or disagree that Closed Circuit Television (CCTV) makes you feel safer?



Up four percentage points (significant increase) since Autumn 2013. No national comparison available.

Q. To what extent would you agree or disagree that people pull together to help improve their area



Down seven percentage points since Autumn 2012 (significant decrease) and 13 per cent below the National average*.

* provided by the Community Life Survey 2012/13 - Response scale does not include a neither option, so some caution should be applied when comparing

4.1 Human Resources information

MANAGEMENT UNITS	FTE	TOTAL SALARY (£)	TOTAL WAGE BILL (£)
ADULTS & COMMUNITIES			
ADULTS SOCIAL CARE	144.47	5,456,451	6,509,546
COMMUNITY & WELL-BEING	75.47	2,515,916	3,001,488
LOCALITIES	32.58	1,248,276	1,489,193
SERVICE DIRECTOR	2.00	154,882	184,774
ADULTS & COMMUNITIES Total	254.52	9,375,525	11,185,001
COO & FINANCE			
ASSURANCE	36.25	1,476,015	1,760,886
COMMERICAL & CUSTOMER SERVICE	5.64	373,675	445,794
COMMISSIONING	15.00	835,439	996,679
DCO OFFICER	51.38	2,057,170	2,454,204
COO & FINANCE Total	108.27	4,742,299	5,657,563
EDUCATION & SKILLS			
EDUCATION PARTNERSHIP & COMMERCIAL SERVS	219.45	5,609,407	6,692,023
INCLUSION & SKILLS	40.79	2,189,047	2,611,534
SERVICE DIRECTOR	1.00	113,846	135,818
EDUCATION & SKILLS Total	261.24	7,912,301	9,439,375
FAMILY SERVICES			
CHILDREN'S SERVICE	4.00	135,458	161,601
CHILDRENS SOCIAL CARE	317.43	11,449,661	13,659,446
EARLY INTERVENTION & PREVENTION	305.74	9,628,654	11,486,984
SERVICE DIRECTOR	1.00	124,870	148,970
FAMILY SERVICES Total	628.17	21,338,643	25,457,001
STRATEGIC COMMISSIONING			
STRATEGIC COMMISSIONING BOARD	4.00	639,411	762,817
STRATEGIC COMMISSIONING Total	4.00	639,411	762,817
STREETSCENE			
BUSINESS IMPROVEMENT	12.19	370,704	442,250
CONTRACT MANAGEMENT	73.17	1,732,403	2,066,757
GREENSTREETS	219.00	4,058,631	4,841,947
WASTE & RECYCLING	165.60	1,883,787	2,247,358
STREETSCENE Total	469.96	8,045,525	9,598,311
Grand Total	1,726.16	52,053,704	62,100,069

Notes

This sheet contains information about employees at 31 May 2014

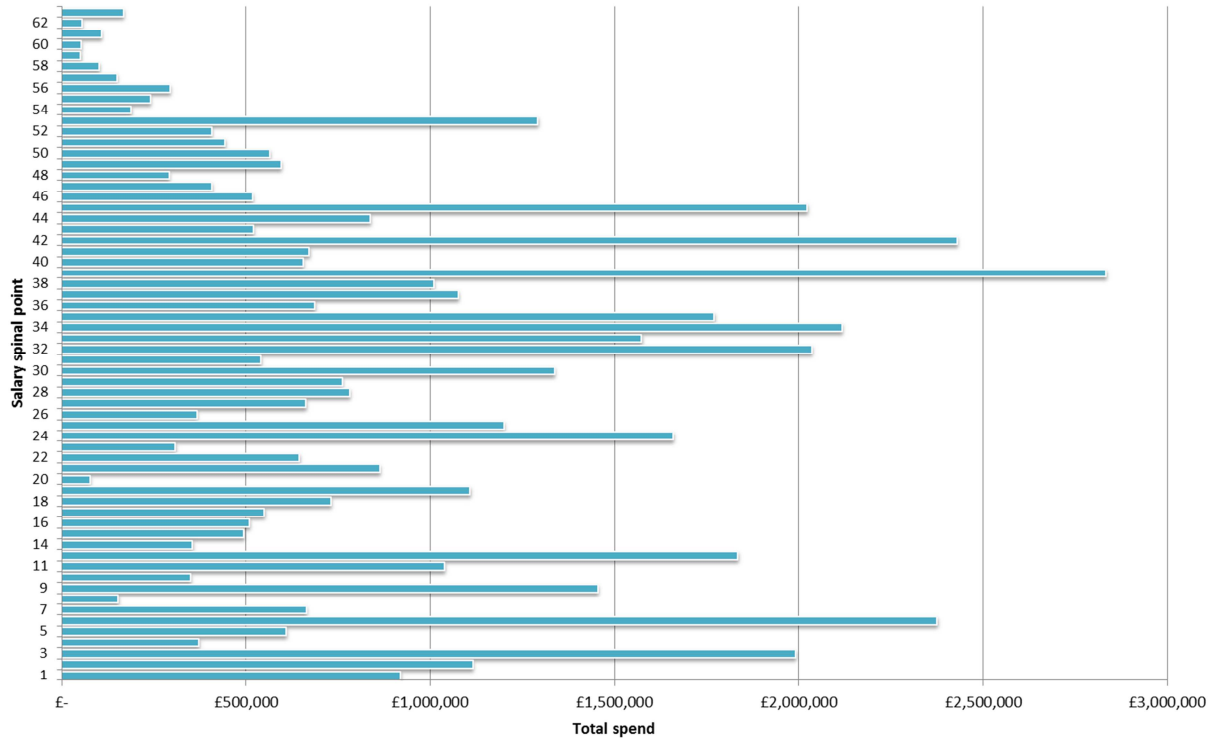
FTE = Full Time Equivalent. 1 FTE = 37 hours per week, 0.5 FTE = 18.5 hours per week

Total Salary column represents the base salary paid (part of annual salary if part time)

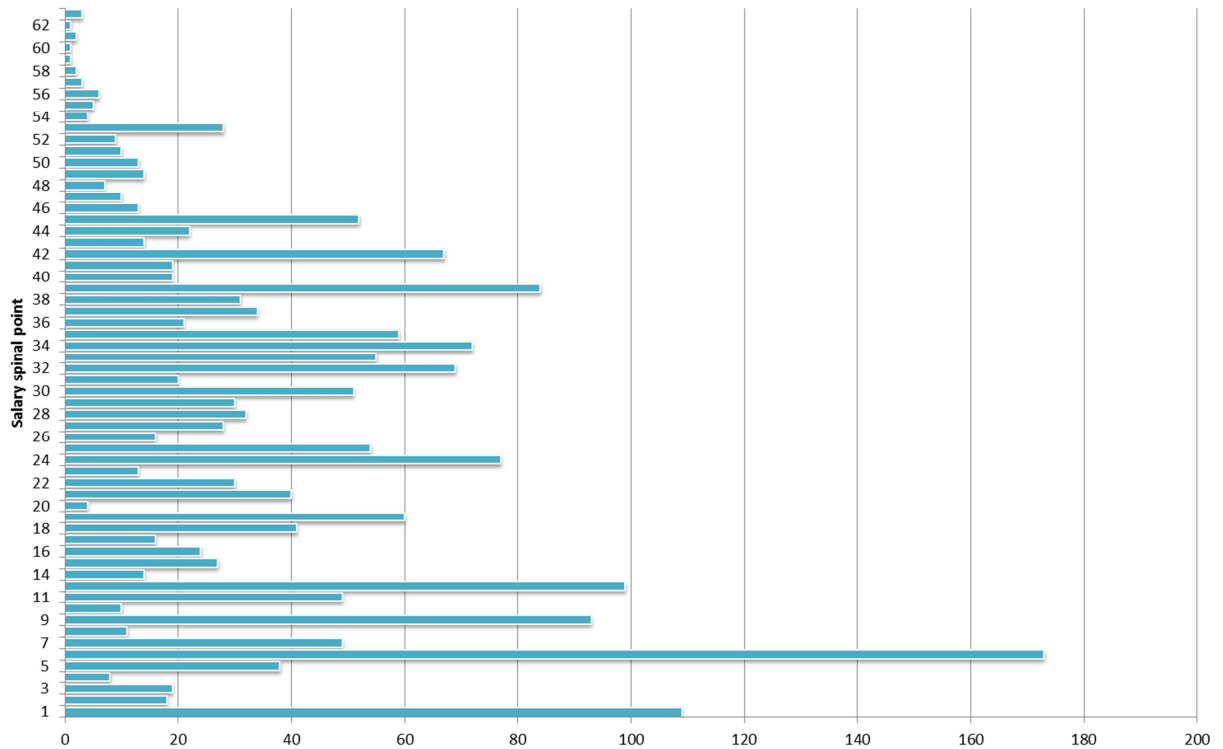
Total wage bill represents basic salaries and additional employer costs (National Insurance, pension contribution etc)

Total FTE is consistent with quarter 4 2013/14

LBB Salary Spend Distribution



LBB Grade Distribution



5.1 Links to other information

Finance

[Click here to see the Barnet budget book 2014/15 for revenue and capital](#)

Useful Policy and Strategic Documents

- [Barnet Safer Communities Partnership Strategy](#)
- [Community Safety Partnerships - Home Office](#);
- [The Crime and Disorder Act](#), 1998 provides the legal framework for Community Safety Partnerships (CSPs) to tackle drugs and crime, reduce re-offending and improve community safety
- [Police and Justice Act 2006](#) covers police roles, responsibilities and powers in tackling community safety issues such as Crime/ASB
- [Draft Anti-Social Behaviour Bill](#) contains the coalition government's plans to streamline existing ASB powers
- [Police and Crime Plan](#). The Mayor's Office for Policing and Crime (MOPAC) has taken lead responsibility for a number of community safety areas including funding.

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	<h2>Community Leadership Committee</h2> <h3>25 June 2014</h3>
<p style="text-align: right;">Title</p>	<h2>Developing a Community Participation Strategy for Barnet</h2>
<p style="text-align: right;">Report of</p>	<p>Stephen Evans – Assistant Director, Commissioning Strategy</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>None</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Stephen Evans, Assistant Director, Commissioning Strategy stephen.evans@barnet.gov.uk 020 8359 3021</p> <p>Elissa Rospigliosi, Commissioning & Policy Advisor elissa.rospigliosi@barnet.gov.uk 020 8359 7158</p>

<h2>Summary</h2>
<p>This report sets out proposals to develop a Community Participation Strategy for Barnet, aiming to:</p> <ul style="list-style-type: none"> • increase the level of community activity across the borough; • build stronger partnerships between the community and the Council; • coordinate and improve the support the Council gives to communities; and • help the Council take more account of community activity when it makes decisions about how it delivers services and outcomes. <p>These aims are designed to benefit both the Council and the community by:</p> <ul style="list-style-type: none"> • increasing residents' independence and resilience; • improving the quality and efficiency of services by tailoring them more effectively to people's needs; and • reducing demand on the public sector, which will be crucial during times of continued austerity. <p>Various initiatives are going on across the Council which support this agenda, but unless action is taken to bring them together and make them work in a coordinated way, the</p>

Council will not realise their full benefits.

Over the next five years, funding restrictions mean that the Council will have to do less in certain areas. To ensure Barnet continues to thrive, the Council will need to build stronger relationships with the community and share more responsibility.

This report seeks the Community Leadership Committee's endorsement to take forward the development of a Community Participation Strategy. The report sets out the rationale for the Strategy; its aims; the approach we plan to take; and the key areas of work this will involve. It also sets out the specific products which underpin the Strategy and which will be brought to back to the Committee for agreement over the next six months.

Recommendations

1. That the Committee approve the proposed aims and approach for the Community Participation Strategy.

2. That the Committee agree that the items indicated in this paper should be brought back to the Committee over the course of the next 6 months for agreement.

1. WHY THIS REPORT IS NEEDED

Background

Increasing community participation to manage demand

- 1.1 This paper proposes the rationale that if the Council can help residents and community groups become more independent and resilient and take on more responsibility for their local areas, there will be less demand placed on statutory services. Individual residents will benefit through opportunities to develop their skills and capacity, while communities will have stronger networks and become more cohesive because of this.
- 1.2 Making this happen will require changes to the ways in which the Council delivers services to the community, to share more responsibility, work more effectively in partnership, and get local people more involved in work to improve outcomes for the Borough.

1.3 **Case study: Barnet's allotments**

The Council has already tested out such an approach when the Borough's allotments were transferred to the community. To do this, the Council worked in partnership with Barnet Federation of Allotment Holders and with groups of residents to set up elected committees, and then leased the sites to the committees, who act as landlords to the rest of the community. Barnet's allotment sites needed significant investment in their infrastructure, and now that residents are owners they can choose to make use of their own skills to maintain the allotments and invest the rental income in improvements to the sites. Decisions about the sites are have been delegated down to their users, who are able to respond in the most suitable way for the individual site.

- 1.4 If changes like these are brought in at a larger scale, they will not only give communities a greater say in the issues that matter to them but will also help the Council respond to the inevitable reductions in public funding over the next five years and the need to find savings of a further £72m by 2020.

Services informed by local need

- 1.5 It is also likely that, as communities become more active, the greater range of activities available means the Council and residents will both have more choice about how services can be delivered.
- 1.6 While Members will continue to set the political and strategic direction for the Borough, getting the community more involved in identifying local needs and selecting local priorities, planning services, and – in some cases, delivering them in partnership – will let the Council make use of communities’ in-depth knowledge of their local area and the activity going on there. Services planned in this way have the potential to be better quality and more efficient because they are more closely fitted to what is needed locally.

1.7 Case study: North Finchley Town Team

In March North Finchley’s Town Team, an independent group of local residents and business people who were supported by the Council, organised an apprenticeship programme, using their community networks and knowledge. Fifteen young people who were not in education, employment or training learned how to run a business and gained work experience with the help of local employers. Three apprentices have so far gained employment as a direct result of the programme. The Council’s support has now ended as the town team has become able to sustain itself and is organising projects independently, including work to revitalise empty shops in North Finchley by using them as a gallery, a business hub, and a community space.

A more coordinated approach

- 1.8 Having a dialogue with communities about local priorities and activity also gives the Council opportunities to join up its services with work that is already being carried out by businesses or voluntary and community groups, and to avoid duplicating this existing work. As a result, the Council will be able to target its resources more effectively where there are genuine gaps.

1.9 Case study: Sport and physical activity

For example, the residents’ consultation which underpins the current review of sport and physical activity indicates that residents like to exercise outdoors or in informal settings, as well as leisure centres, meaning that the Council can target some of its resources at signposting people towards existing activities in local green spaces, sports clubs, and community settings rather than trying to increase the service it provides more directly, and will meet the community’s needs more effectively by doing this.

Engaging with harder to reach groups

- 1.10 In some cases, residents and community groups will be better placed than the Council is to both identify and develop solutions to local challenges. Communities often have more freedom than the Council to act on new ideas or to avoid red tape, and this can mean that when community groups provide a service this gives better value for taxpayers’ money. Local people and

groups will understand where need is within their communities and will have the networks and connections to be able to act on this, which can lead to better results than statutory services.

1.11 **Case study: Community Coaches**

For example, Barnet's Community Coaches programme – initially piloted in Grahame Park – began by recruiting 15 volunteers to work as lifestyle coaches for people within their communities. The programme's clients were 'hard to reach', vulnerable people who were leaving statutory support, including people who had been through the Troubled Families programme and some young adults leaving care.

1.12 The volunteers helped clients navigate their way through public services more effectively and access the support they needed. Clients gained skills to engage with public services more efficiently as well as accessing other support, and their contact with the public sector dropped by 46%. The costs avoided came to approximately £72,000, against the £68,000 cost of the programme, while clients' lifestyles improved significantly.

1.13 The programme succeeded because the volunteers, seen as part of the community, were better placed than the Council to get people to engage with the support they offered, and to make sure that support was tailored to people's individual needs. For example, some support focused on issues such as money management but other clients needed more customised help, such as that provided by a volunteer who got a donated cooker to a young care leaver who had been living in an unfurnished flat and surviving on takeaways.

1.14 The programme was able to give this support because the Council 'got out of the way' and let residents decide – and deliver – what was best for them. It also benefited the volunteers who delivered it, giving them the chance to develop new skills, and increasing their future employment opportunities.

Summary: issues for the Strategy

1.15 The Council therefore needs to understand how to decide when services are better delivered from within the community, how it can better support and coordinate with the work of existing voluntary and community groups, how it can work more effectively with formal and informal networks, and how it can support communities who do not currently have a high level of either to develop these in the future.

1.16 This report sets out proposals for a Community Participation Strategy which, if the Committee agrees, seeks to address these issues by defining and implementing the following approach.

Purpose and outline of the Strategy

1.17 The Community Participation Strategy aims to draw together a number of pieces of work which will have an impact on this agenda and which are currently going on in separate areas across the Council, and to use these to:

- increase the level of community activity;

- build stronger partnerships between the community and the Council;
- improve the support the Council gives to communities; and
- help the Council take account of community activity when it makes decisions about how it delivers services and outcomes.

1.18 If the Committee approves the overall approach set out in this paper, the Strategy will be developed through the following four areas of work. Where the Committee will then be asked to consider and agree products, this is set out below.

Insight and influence: developing better information about our communities

1.19 Firstly, the Council has an opportunity to develop better information about work that is currently going on in the community, so that it can link this with information about its own services, identify where there are gaps, and understand what it can do to fill them.

1.20 This improved information can also be used to give people a better understanding of what is going on in their local area. Residents would gain access to a broader range of local services and the information would also support Members in their role as representatives of their Wards.

1.21 If the Committee approves the overall approach proposed in this paper, it would then be asked to consider:

- **Proposals for what the Council needs to know about the kinds of community in the borough in order to engage with them effectively. For example, the Council often engages with residents on the basis of their living in a particular ward, but it may make more sense to work in some cases with people linked to a particular town centre or who live within a smaller locality such as a housing estate**
These proposals would be brought to the Committee in September 2014.
- **Proposals for how the Council will compare different ways of delivering services. Because there will be a much greater variety of activities to choose from, the Council will need a framework which takes the value of different options into account and lets it make informed decisions between them.**
These proposals would be brought to the Committee in November 2014.

Coordinating our engagement

1.22 Secondly, the Council could do more to coordinate its engagement. The Council has already developed a Consultation and Engagement Strategy which links up the different ways in which the community can be involved in Council planning and decision-making. It should now consider how it can join these up with work where the community is more involved in delivery (for example, instances where the Council commissions services from businesses or voluntary and community groups), and with other kinds of engagement taking place through, for example, nominations for the Community Right to Bid.

- **The Committee would be asked to consider the framework which would bring these routes together, and to agree that they should be used to support the aims of the Strategy. These proposals would be brought to the Committee in November 2014.**

Support for communities

- 1.23 Thirdly, the Council should consider how it can best support communities. This would involve identifying the support needed to develop more capacity in communities. It would also mean considering what the Council's ongoing role should be in supporting groups who are already providing activities or delivering services.
- 1.24 This would involve thinking about how we can best use the various funding streams which are used to support communities. There are a number of these across the Council, including the budgets which are being devolved to the Area Sub-Committees.
- 1.25 The paper on the Area Sub-Committee budgets - which is also being considered by the Committee at this meeting - sets out a framework for how these can be used to improve community participation by helping residents become more involved in conversations about local priorities and in decision-making, including decisions about resources are allocated, as well as supporting community projects.
- 1.26 The Council can then coordinate these with other relevant funding streams.
- **The Community Leadership Committee would be asked to consider proposals for how the Council can coordinate community funding. These proposals would be brought to the Committee in September 2014.**
- 1.27 As well as funding, the Council can provide other resources to support the community, such as skills development, access to ICT, or use of its buildings and properties. Work to produce the Council's Community Asset Strategy will be coordinated with the Community Participation Strategy to consider the benefits of using physical assets for community support.
- **The Community Leadership Committee would then be asked to consider how funding for the community should be coordinated, along with other options, as part of a package of possible measures to support the community, and to decide on the level of support the Council can continue to offer based on the value it would bring. These proposals would be brought to the Committee in November 2014.**

Implementation plan

- 1.28 These three areas of work will then be used to identify opportunities where the community could deliver all or part of an existing service, and to build these into an implementation plan.
- 1.29 This plan will also be informed by two pilot projects which will test different ways of identifying and working with existing community leadership within a

defined area in the borough. They will both identify existing community activity and capacity in that area and recommend how it could be developed further. Each project will also produce a transferable tool which can be used to roll out the approach elsewhere.

- The first project will produce a toolkit for identifying community leadership in localities.
- The second project will produce a toolkit for identifying local networks and their strengths.
- **The Community Leadership Committee will be asked to consider the proposed implementation plan and approve the proposals. These proposals would be brought to the Committee in November 2014.**

The Council's Voluntary and Community Sector Development Partner

1.30 Finally, alongside the development of an effective strategy, the Council will need a strong voluntary and community sector (VCS) development partner to help realise its vision, and has gone out to tender for a partner with the appropriate networks, local knowledge, independence, credibility, and understanding of the reasons why people choose to get involved in their local areas to support these aims.

1.31 The Council will work with this partner to unlock the potential of Barnet's communities through initiatives to increase volunteering and participation; build networks of people with shared interests; set up community trusts to support capacity; develop social investment models; and nurture grassroots initiatives that harness the high levels of social capital in the Borough.

2. REASONS FOR RECOMMENDATIONS

2.1 The Council's spending power is expected to be 50% lower in 2020 than it was in 2010. This is likely to mean that, in certain areas, the Council will not be able to do as much as it currently does and will need to find other ways of delivering services to support its desired outcomes.

2.2 It will be challenging for the Council to achieve change at the necessary pace over the next five years unless the community is willing to participate and support it.

2.3 The Council has recognised this for some time but progress has been through a series of small-scale initiatives, some of which are highlighted as case studies in this paper. However, to gain the benefits and savings it needs to achieve, it is recommended that the Council develops a coordinated and large-scale approach, underpinned by the products outlined in this paper.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 The Council could decide not to implement a coordinated approach or formal strategy, but this risks the success of other savings proposals as well as losing opportunities to realise the additional benefits of coordination.

4. POST DECISION IMPLEMENTATION

- 4.1 The Strategy will be managed as a Council project and the items which Members will be asked to consider will be added to the work programmes for the relevant Committees.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This decision contributes to the Corporate Plan's objective to promote family and community wellbeing and support engaged, cohesive and safe communities by improving engagement, increasing independence and resilience, and strengthening community networks.

- 5.1.2 The decision will also improve local people's life opportunities by increasing their skills and capacity, empowering them to take part in a broader range of activities, and increasing the choices available to them for how they access services, contributing to the Health and Wellbeing Strategy's priority to increase wellbeing in the community.

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

- 5.2.1 The Strategy supports the Council's Medium Term Financial Strategy and longer-term savings proposals as increased community capacity and activity will be vital to reduce the pressure on services.

- 5.2.2 The Strategy requires some support from other Council services, which has been agreed through the project team structure.

- 5.2.3 The direct costs of the Strategy are to commission two pilot projects at a cost of approximately £35,000. These costs will be funded from the Commissioning Group budget.

5.3 Legal and Constitutional References

- 5.3.1 Council Constitution Part 15, Responsibility for Functions, Annex A states the terms of reference of the Community Leadership Committee, including 'to approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to full Council or Policy & Resources'.

5.4 Risk Management

- 5.4.1 This is a complex project which requires coordination across a range of services to get the full benefits, and there is therefore a risk of failure to get buy-in across all the services and workstreams which need to be involved. This is to be mitigated by ensuring the project team is set up to liaise with and involve all necessary services and workstreams, and by use of a programme management framework to ensure the benefits of coordination are identified

and realised.

- 5.4.2 The Strategy will need Member support to succeed. The risk that Members will not want to engage with the project will be mitigated by asking Members – through the Community Leadership Committee - to engage throughout the process and with the pieces of work produced through the Strategy.
- 5.4.3 The Strategy needs the support of the community and will need clear and consistent communication to ensure this. This will be addressed through a dedicated communications and engagement plan.
- 5.4.4 It is possible that an external event may have a negative impact on our reputation and disrupts residents' perception of the Council. This will be mitigated through horizon-scanning and early identification of likely issues to put mitigating actions in place on a case by case basis.
- 5.4.5 There are conflicting constraints relating to time: the nature of capacity-building work is that relationships and trust evolve gradually, but savings timescales may require some elements of the project to move forward more quickly. This will be addressed through the structure of the implementation plan, and the adoption of a pilot approach.

5.5 Equalities and Diversity

- 5.5.1 The Strategy will support the three strands of the Public Sector Equality Duty by:
- Monitoring the engagement activities undertaken to ensure they are representative, and identify and eliminate any barriers to access, eliminating unlawful discrimination
 - Ensuring that all residents have the same opportunities to develop skills, independence and resilience by developing capacity across the Borough, advancing equality of opportunity between people from different groups
 - Building stronger networks and improving cohesion, to foster good relations between people from different groups.

5.6 Consultation and Engagement

- 5.6.1 The Strategy has been developed in part following consultation undertaken to support the PSR, where residents identified the need for responsibility to be shared more evenly between the Council and the community and suggested some resources which would support this.
- 5.6.2 Further consultation and engagement will be carried out as part of the communications plan for the Strategy.

6. BACKGROUND PAPERS

- 6.1 None.

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AGENDA ITEM 7

	<p>Community Leadership Committee</p> <p>25 June 2014</p>
<p style="text-align: right;">Title</p>	<p>Area Sub-Committees - Budget Allocation Draft Framework</p>
<p style="text-align: right;">Report of</p>	<p>Andrew Nathan - Head of Governance Stephen Evans – Assistant Director, Commissioning Strategy</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p><i>Appendix 1: Area Sub-Committee - Budget Allocation Draft Framework</i></p> <p><i>Appendix 2: Report considered by the Policy and Resources Committee, 10 June 2014.</i></p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Maria Lugangira, Governance Officer, maria.lugangira@barnet.gov.uk 020 8359 2761</p> <p>Elissa Rospigliosi, Commissioning & Policy Advisor elissa.rospigliosi@barnet.gov.uk 020 8359 7158</p>

Summary

On June 10 2014, the Policy & Resources Committee approved a budget of £100,000 per annum to each of the Area Sub-Committees, for the next four years, and delegated responsibility for approving the detailed framework for how these budgets should be administered to the Community Leadership Committee.

The report therefore seeks approval from the Community Leadership Committee on the following:

- The framework setting out the guiding principles that will support the Area Sub-Committees in deciding how and where the budgets they have been allocated should be spent.

Recommendations

- 1. That the Community Leadership Committee approve the draft Framework set out at Appendix 1 and recommend to the Policy and Resources Committee that it be agreed.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Policy and Resources Committee, on 10 June 2014, approved the allocation of a budget of £100,000 to each of the Area Sub-Committees, and agreed that the governance arrangements detailing:
 - accountability
 - how the priorities will be set
 - how the funding should be allocated
 - how projects will be assessed and evaluatedshould be delegated to the Community Leadership Committee for approval.
- 1.2 Because the purpose of devolving these budgets is to ensure that the Sub-Committees are able to respond effectively to needs in their local areas in the most appropriate way, attention has been taken to ensure that the proposed framework is not too onerous, prescriptive or restrictive. However, it must also be detailed enough to make sure the principles it sets out mean 'due diligence' is taken by the Area Sub-Committee during consideration and decision making on projects.
- 1.3 The Council's developing Community Participation Strategy, also being considered at this meeting, sets out ambitions to help residents and community groups become more independent and resilient and take on more responsibility for their local areas, aiming to achieve benefits for both the Council and the community.
- 1.4 If the Council can increase levels of community participation, residents would gain opportunities to develop their skills and capacity, while communities would become more cohesive. The Council's services would potentially become better and more efficient because they would be tailored more effectively to the community's needs, making use of local knowledge, and the Council could also realise benefits from lower demand on its services.
- 1.5 The changes governing how Area Sub-Committees operate will support these aims, bringing in local knowledge and supporting residents to take on more responsibility as well as supporting community projects, by helping them to get more involved in conversations about local priorities and in decision-making, including decisions about how resources are allocated. It is proposed that this would be done by involving residents in a steering group for each area, given support to understand budgeting and priority-setting, involved in defining their local areas and in setting the priorities themselves, and consulted on which projects should be taken forward for potential funding.
- 16 These arrangements for the Area Sub-Committees will support the Community Participation Strategy's work to:
 - develop better information about the work that is currently going on in the community
 - coordinate the Council's engagement more effectively
 - consider how the Council can best support communities to become more independent.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To help make sure that the Area Sub-Committees successfully and effectively manage their budgets, there must be a framework in place that explains and gives them guidance on the process.
- 2.2 The new process is about involving residents more extensively in the decision making process in their local area. The ultimate aim is to strengthen the decision making of the Council, and also to strengthen the voice of the individual in shaping the kind of place that people want to live. Transparency of information is at the heart of this process, as is providing opportunities for residents to be involved in local affairs. The framework aims to ensure that the process for allocating budgets is transparent and easily understood by its intended audience
- 2.3 The framework seeks to ensure that the views of residents and local communities are heard at each stage in the decision-making process, informing the Sub-Committees' understanding of local need and involving residents in delivering on local priorities. Different communities have different needs and require different provision in their local area, while patterns of diversity also differ from area to area and communities which are marginalised in one area may not be in another, so the framework must allow the Sub-Committees to respond to local circumstances and fund the most appropriate projects to meet need in each area.
- 2.4 In particular, it is recommended that the steering groups be made up of representatives from Ward Councillors, local residents, local voluntary and community groups, and other statutory partners, for the reasons set out below.
- 2.5 **Ward Councillors:** Ward Councillors are community advocates, encouraging resident participation and advocating on behalf of their local area to the Council, and community leaders, who mediate between the interests of different groups and organisations at local and strategic levels. As such they will be vital in defining priorities for the area and mobilising local interests in support of projects. They may also gain opportunities to develop additional insight into their local areas from involvement in the priority-setting process, and to forge new connections with groups in their ward.
- 2.6 **Residents:** Involving residents will enable the steering groups aim to make best use of local knowledge about what is needed in each area. Residents will gain opportunities to develop their skills and capacity which will enable them to take more responsibility for improvements to their local areas. They will also potentially benefit from being provided with a recognised forum where they will be able to bring forward not only their concerns but their ideas for local improvements. Being part of the steering group is intended to ensure they are part of decisions on local expenditure and able to participate in an agreed, open and transparent co-ordinated approach to resolving local issues thorough partnership working.
- 2.7 **Local community groups and local voluntary sector groups:** Having these groups on the Steering Group is designed to harness the voluntary and community sector's unique skills, specialist knowledge, diversity and commitment. This would potentially allow the sector to increase its resilience

and ability to deliver against the needs of local communities, and would also aim to empower the sector to articulate their views on local concerns, facilitating community engagement at a locality/Area Partnership level.

2.8 **Other statutory partners:** Partners and stakeholders should be involved with the aim of enabling them to be able to respond directly to issues raised where this is appropriate. Being involved in this process may also help them to gain a better insight into who is using their services and how. This will potentially help increase provider awareness of the joined-up nature of problems, particularly in deprived areas, and the potential for joined-up solutions, and is an opportunity to share resources across agencies in a planned/structured way leading to the achievement of longer-term objectives.

2.9 These budgets will also play an important part in achieving the Council's ambitions with regard to increasing community involvement and participation. To do this, the Area Sub-Committees will need a framework which makes strategic links where appropriate to the Community Participation Strategy and enables the Council to coordinate other relevant funding streams with these budgets.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

None

4. POST DECISION IMPLEMENTATION

4.1 Stage 1

Following approval of the Framework the Council will communicate with residents and other local stakeholders about the new-look Area Sub-Committees and the implications of having an allocated budget. As part of this exercise we will ask that residents put forward:

- projects, priorities or service requirements they might want to see developed in their area and why
- nominations for the membership of the steering group for their area.

The final membership of the Steering Group will be agreed by the Area Sub-Committees

Stage 2

4.2 A technical evaluation and assessment (set against the framework) of the projects/priorities submitted will be carried out by officers with the final agreed shortlist of the viable projects circulated to the Steering Group. It will be up to the Group to decide which project(s) they would like to see taken forward.

4.3 Stage 3

The Steering Group's final recommendations, along with the Area Forward Plan will be presented to the Area Sub-Committee for their consideration and decision.

5. IMPLICATIONS OF DECISION

5.3 Corporate Priorities and Performance

5.3.1 The proposals contained in this report support the Council's strategic priorities as set out in the Corporate Plan for 2013-2016:

- To create the right environment to promote responsible growth, development and success across the borough.
- To support families and individuals that need it - promoting independence, learning and well being.
- To improve the satisfaction of residents within the borough as a place to live, work and study.

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

5.4.1 The budget allocated to each Area Sub-Committee is £100,000 per annum and is funded from Council reserves for 4 years.

5.5 Legal and Constitutional References

5.5.1 As part of the wider localism and community empowerment agenda introduced by the Localism Act 2011, there has been a growing interest in devolving decision making for aspects of local spending.

5.5.2 Constitution, Responsibility for Functions, Annex A, sets out the terms of reference of the Community Leadership Committee

5.6 Risk Management

5.6.1 The process of managing the budgets through the Framework and the Area Sub-Committees ensures that any proposals put forward for consideration meet the needs of residents, the community and minimises the risk that the process may not achieve the desired outcomes determined at the start of the project.

5.6.2 The Framework mitigates the risk that without public involvement in the design of a scheme, opportunities for democratic engagement are lost and public confidence in the legitimacy of democratic decision making structures is weakened.

5.7 Equalities and Diversity

5.7.1 It will be important that the Area Sub Committees encourage participation from all Barnet's diverse communities and that proposals put to the Area Sub-Committees are inclusive, take account of the needs of all residents, and reflect the diversity of the area. The template for all proposals will include a section on equalities to ensure that proposals are accompanied with some analysis of the equalities impact. Engagement and participation in the Sub-Committees can be reviewed to assess participation levels. Ward Councillors will be made aware of their responsibilities to pay due regard to equalities in decision making so that due regard is paid to equalities at all stages.

5.8 Consultation and Engagement

5.8.1 As set out above.

6. Background papers

6.1 None

Appendix 1

Area Sub-Committees - Budget Allocation

Draft Framework

The Policy and Resources Committee, on 10 June 2014, approved the allocation of a budget of £100,000 p.a. to each of the Area Sub-Committees for each of the next four years.

The decision was taken to help give communities and residents the power to shape their local place and services and strengthen local democracy. Amongst some of the key benefits of devolving decision making for aspects of local spending to the Area Sub-Committee will be (i) helping bring a diverse group of people together and therefore supporting community cohesion, and (ii) residents will gain a better understanding of the complexities of public budget setting and deciding between competing priorities. By empowering residents and devolving decisions on spending public budgets, services can be better tailored to local circumstances, which has the potential to result in improved resident satisfaction.

The purpose of the funding is to promote the economic, social or environmental wellbeing of the local area for each Area Sub-Committee, and to allow local groups, organisations or individuals to apply to the Area Sub-Committee for funding for projects, schemes, or the purchase of goods and services which seek to improve the quality of life for people who live or work in that local area.

This funding, along with other funding streams which allocate money to communities, is an important lever in helping the Council achieve its goals to increase community involvement and participation in the Borough.

The Council is therefore proposing this framework to ensure that funding is allocated in a way which helps it to achieve these ambitions and in doing so, involves local residents and communities as fully as possible throughout, in a light-touch process which enables appropriate accountability for public money while not being overly bureaucratic.

1. PROCESS FOR ALLOCATING BUDGETS

- 1.1 Each Area Sub-Committee will establish a steering group whose membership is agreed by the Area Sub-Committee. Each steering group will be supported by a senior Council officer.
- 1.2 The steering group will consider evidence about the local area for which it is responsible and use this to agree priorities for the area.
- 1.3 Annually, each Area Sub-Committee will ask its local community to put forward proposals for projects that could be funded through the Area Sub-Committee budgets.
- 1.4 The steering group for each area will meet prior to the meeting of the full Area Sub-Committee to review the project proposals and recommend which should be funded, based on the priorities for that area.

- 1.5 At their next meeting, the Area Sub-Committees will decide whether or not to agree each of these recommendations. The projects which receive funding will be incorporated into the Area Sub-Committee's forward plan.
- 1.6 The Area Forward plan will show the priorities that have been identified through consultation with residents and Ward Councillors and will be agreed by the Area Sub-Committee. The plan will include locally determined priorities where there is evidence of need or where engagement has demonstrated strong local demand. Ward Councillors will be crucial to the development of Area Forward Plans.
- 1.7 Measures of the success in delivering the Area Plan will be reviewed regularly by the Area Sub-Committees with an annual report submitted to the Policy and Resources Committee and Community Leadership Committee.
- 1.8 Each Area Forward Plan will contain details of the resources allocated to achieving the local priorities identified.
- 1.9 The plan should incorporate short term priorities that will contribute to the long term outcomes.
- 1.10 Projects will be evaluated as part of the Annual Report, and the lessons learned from this used, where relevant, to inform decisions about future provision of other services. The Area Sub-Committees and Residents' Forums, and the delivery of the projects, will also be a source of ad hoc insight into local priorities and residents' concerns.
- 1.11 This cycle will be repeated each year with one of the four annual Residents' Forums/Area Sub-Committees being dedicated to discussing local priorities and projects.

2. INVOLVING RESIDENTS AND OTHER LOCAL STAKEHOLDERS

- 2.1 The Council's Community Participation Strategy notes the benefits to both Council and community from involving a broad range of local stakeholders, including residents, in identifying local need, setting priorities, allocating funding, and delivering against outcomes. This framework therefore involves residents and other local stakeholders throughout the budget-setting process as set out below.
- 2.2 Local residents and voluntary and community groups will be involved during the identification of local need, through a broad community consultation for each of the Area Sub-Committee local areas and by being asked to submit appropriate project proposals for funding.
- 2.3 Residents and other local stakeholders will then also be involved in the process of setting priorities and allocating funding, by ensuring that each steering group has representatives from the following groups:
 - Ward Councillors, ideally existing members of the Area Sub-Committees
 - Local residents
 - Local voluntary and community groups
 - Representatives from other statutory partners

- 2.4 Finally, the community will be involved in activities which support local priorities through delivery of the projects which are funded, building their capacity to deliver more activities in the future.
- 2.5 The steering group will be given support from Council officers to develop their understanding of budgets, priority setting and consultation processes, ensuring that the group understands:
- how to use evidence and prioritise effectively
 - how to ensure the views of a range of local stakeholders are represented
 - how to evaluate projects and assess their benefits and sustainability
 - how to identify and manage any risks involved
 - how to monitor the performance and delivery of projects.

3. ACCOUNTABILITY AND GOVERNANCE

- 3.1 Certain principles will need to be followed to ensure good governance and accountability for the budgets.
- 3.2 The purpose of the funding is to promote the economic, social or environmental wellbeing of each Area Sub-Committee's local area.
- 3.3 Local groups, organisations or individuals can apply to the Area Sub-Committee for funding for projects, schemes, or the purchase of goods and services which seek to improve the quality of life for people who live or work in that local area.
- 3.4 Funding for projects, schemes or services should either link directly to the Council's corporate priorities or the priorities of the particular locality, or should promote community involvement.
- 3.5 Funding must not be used to cover or meet a budget deficit in a specific area, meet the debts of an organisation in financial difficulty, or to cover a shortfall in service.
- 3.6 The funding will be provided for a period of 12 months from the date of approval.
- 3.7 Projects should:
- be non-party political
 - not require ongoing funding
 - not be initiated by a public sector body i.e. a school or GP surgery
- 3.8 If any other application for funding has been sought or awarded for the projects this should be disclosed.
- 3.9 The rules in place to ensure that the funds are not mismanaged or used for fraudulent purposes will be consistent with the conditions set out in the Council's Corporate Grants Programme.

- 3.10 Accountability will be ensured through an annual report to both the Policy & Resources Committee and the Community Leadership Committee on the projects funded and the money spent.
- 3.11 The Area Sub-Committees will be accountable to the Policy and Resources Committee for the spending of the money in line with appropriate priorities and following good governance.
- 3.12 A log of the decisions taken by the Area Sub-Committee on particular projects will be maintained and presented annually in a report to the Policy and Resources Committee.
- 3.13 If the Policy and Resources Committee so wishes they may invite the Chairman of the Area Sub-Committee to give account of certain decisions taken.
- 3.14 The Community Leadership Committee will scrutinise the report as the projects and priorities identified by the Area Sub-Committees will be of value in determining local need and community activity.
- 3.15 The Council has a statutory duty to ensure that adequate safeguards exist to protect from harm children, young people and vulnerable adults involved in the running of a project or taking part in the activities provided and will ensure that all projects funded conform to the principles of safeguarding established by the Council.

	<h2>Policy and Resources Committee</h2> <h3>10 June 2014</h3>
<p style="text-align: right;">Title</p>	<p>Area Sub-Committees – Budget Arrangements</p>
<p style="text-align: right;">Report of</p>	<p>Head of Governance</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>None</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Maria Lugangira, Governance Officer, 020 8359 2761, maria.lugangira@barnet.gov.uk</p>

<h2>Summary</h2>
<p>The report requests that the Policy and Resources Committee consider and approve the process and implementation plan around new budgets devolved to the Area Sub Committees.</p>

<h2>Recommendations</h2>
<ol style="list-style-type: none"> 1. That £100,000 per annum be allocated in principle to the Area Sub-Committees in line with the new Committee System of Governance approved by Council on 21 January 2014 2. That no action is taken to either commit expenditure or spend any money until the Community Leadership Committee has approved the governance, accountability and priorities arrangements 3. That the detailed arrangements for the governance, accountability and priorities for the budgets allocated to the Area Sub-Committee be delegated to the Community Leadership Committee for approval. 4. That the Chief Finance Officer in consultation with the Chairmen of the Policy and Resources and Community Leadership Committees be delegated authority to put in the place the financial arrangements and controls.

1. WHY THIS REPORT IS NEEDED

1.1 Under the previous Committee Structure the Area Environment Sub Committees' remit and powers largely involved discharging the Council's Functions relating to environment and highways matters in accordance with Council Policy and within budget. Amongst the typical business for the Area Environment Sub-Committees was;

- Safety and Traffic Management Review
- Highways Planned Maintenance programme
- Members Items - these primarily relate to traffic calming measures

1.2 The rationale for allocating Area based budgets to Sub-Committees arose as a result of the public consultation survey findings on the change of the Governance System, and feedback from attendees at Residents Forums. Amongst the key findings highlighted in the survey was that under the previous Committee structure residents did not feel involved and able to influence local decisions (decision making or policy development). Common issues raised were:

- a lack of understanding as to who is responsible for delivering some of their local services
- confusion about how the Council makes its decisions and a perception that council decision making is 'secretive and bureaucratic'
- a perception that council decisions and views of elected representatives do not reflect residents' own priorities or those of their local area
- efforts at consultation are considered as a means of post-hoc rationalisation of 'predetermined decisions'

1.3 It was felt that the previous Area Environment Sub-Committees had limited decision-making powers, due to having restricted terms of reference and no budget devolved to them.

1.4 As a way of addressing this, the Constitution, Ethics and Probity Committee (CEP) agreed to (i) amend the name and Terms of Reference so that they were no longer Area Environment Sub-Committees but Area Sub-Committees, with a wider remit and (ii) allocate budgets, which would enable them to directly control a portion of the Council budget specifically devolved to them not just for environmental matters but other local matters. These non-environmental issues would either be matters referred up to the Area Sub Committee by the Chairman of the Residents Forum or delegated down by the Theme Committees (listed below) as set out in the Constitution;

- Children, Education, Libraries and Safeguarding
- Adults and Safeguarding
- Environment
- Assets, Regeneration and Growth
- Housing
- Community Leadership

- 1.5 CEP agreed that the budget devolved to each Area Sub-Committee by the Policy and Resources Committee should be £100,000 p.a. over four years.
- 1.6 The implementation of Area-based budgets will offer the Council a potentially powerful tool to engage residents in the decision making process and build and enhance trust in the Council's democratic and governance process. Delegating a budget will give Area Sub-Committees control over certain aspects of spending.
- 1.7 This new process is intended to address residents' concerns raised in paragraph 1.2 by including mechanisms that will:
- empower communities to solve local problems by supporting local activity and giving people a say and influence over the resources allocated to their area.
 - improve local democracy and devolve power to a local ward based level.
 - provide an agreed, open, transparent, and co-ordinated approach to resolving local issues through partnership working with local residents.
 - provide a recognised forum for local people to bring forward not only their concerns but also their ideas for local improvements.
 - allow local residents to take part in decisions on local expenditure, which can help enhance trust and a spirit of collaboration between residents and the Council.
- 1.8 When underpinned by effective community consultation, this process will also be valuable in bringing together different groups within the community to discuss local issues and concerns. The prospect of funding will provide an added incentive when residents learn that their ideas for local improvement may secure tangible resources. This will provide an effective way of encouraging attendance at the Area Sub-Committees and Residents Forums and will encourage residents or community groups who are unaccustomed to attending meetings to engage with wider local issues.
- 1.9 In line with the principles set out in the Community Participation Strategy (scheduled to be considered by Community Leadership Committee on 25 June 2014), this process will ensure that the Council and its partners operate in a more coordinated way to empower and engage local residents. Area based budgets will enable local people to have real influence over the local allocation of resources and will improve the relationship between the Council and the community.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Community participation and involvement will be vital in achieving the changes the Council will need to make to the ways in which it delivers services over the next five years. Helping residents and community groups become more independent and resilient and take on more responsibility for

their local areas should lead to lower levels of demand on statutory services; residents will gain opportunities to develop their skills and capacity, while communities will have stronger networks and connections and become more cohesive as a result.

- 2.2 Improved community participation and involvement will also let the Council make the best use of residents' knowledge of their local area and of the resources within local communities to make sure that Council services are meeting local need as effectively as possible. In many cases, residents and community groups may be better placed than the Council is to understand and provide for the challenges facing their communities and the Council needs to take this into account when considering how to deliver services. These themes will be discussed in more depth in the Community Participation Strategy paper at the 25 June meeting of the Community Leadership Committee.
- 2.3 Improved community participation will mean that residents will need to become more involved in conversations about local priorities and in decision making, including decisions about how resources are allocated; and the Council will need to consider what support the community will need to become more independent and to take on more responsibility. The new Area Sub-Committee budgets, and the proposals to involve residents in prioritising how these are spent, are an opportunity to think about how the Council can make these principles work in practice.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 There is no existing policy that allows for the delegation of individual budgets to Area to Sub-committee, but this a new process that has been reviewed by the Constitution, Ethics and Probity Committee who have put forward the proposal.

4. POST DECISION IMPLEMENTATION

- 4.1 The Area Residents Forums and Sub-Committees on the 18 June will receive a briefing paper explaining the decision taken by the Policy and Resources Committee and the implication of the decision. They will also be informed that the proposals and governance arrangements around Area based budgets are to be considered by the Community Leadership Committee on 25 June - the report will be available at the meeting.
- 4.2 Following on from the meeting of the Community Leadership Committee and agreement of the framework, communications to the public will clearly set out what the new process is and how to get involved.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The proposals contained in this report support the Council's strategic priorities as set out in the Corporate Plan for 2013-2016:

- To create the right environment to promote responsible growth, development and success across the borough.
- To support families and individuals that need it - promoting independence, learning and well being.
- To improve the satisfaction of residents within the borough as a place to live, work and study.

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

5.2.1 The £100,000 allocated per annum will have a life span of 4 years and shall be funded from ring-fenced reserves.

5.2.2 An annual report will be submitted to the Policy and Resources Committee detailing any expenditure and decisions made by the Area Sub-Committees.

5.2.3 Funding should not result in commitment for ongoing revenue expenditure beyond the life of the project.

5.3 Legal and Constitutional References

5.1.2 As part of the wider localism and community empowerment agenda introduced by the Localism Act 2011, there has been a growing interest in devolving decision making for aspects of local spending.

The Act:

- gives local authorities the formal legal ability to respond to what local people want.
- passes significant new rights directly to communities and individuals
- makes it easier for local people to take over the amenities they love and keep them part of local life
- ensures that local social enterprises, volunteers and community groups with a bright idea for improving local services get a chance to change how things are done
- enables local residents to call local authorities to account for the careful management of taxpayers' money

5.3.1 Policy and Resources Committee amongst some of its functions has overall strategic responsibility for the following:

- Allocation of a budget, as appropriate, for Area Sub-Committees
- Ensuring effective uses of Resources and Value for money
- Equalities, Diversity and Community Cohesion

5.3.3 Community Leadership Committee amongst some of its functions has overall strategic responsibility for the following;

- To oversee the arrangements for partner co-operation including pooling of budgets (other than those within the remit of the Health and Wellbeing Board) e.g. Community Budgets
- To maintain good community relations with Barnet's diverse communities ensuring that all communities have the opportunity to participate fully in the Borough's affairs

5.4 Risk Management

- 5.4.1 The proposals are founded on the principle that key strategic matters for the borough (e.g. significant planning applications) will remain within the remit of relevant themed committee. In this way understanding of what can be devolved and what can not is clear from the beginning.
- 5.4.2 The governance framework for the new arrangements will therefore need to clarify that the allocated budgets should not be used to cover work that the Council should be doing as part of its mainstream work (e.g. street cleaning) but can be used for work that needs doing but for which no budget exists in the current programme nor is there likely to be in the next year.
- 5.4.3 There is potential for confusion over who is responsible for the delivery of a particular project and how is to be delivered. Projects should link to the Community Participation strategy and the framework in place will help mitigate the risk of confusion. It should set out clearly what factors and questions need to be considered from onset and through the planning stages of a project.
- 5.4.4 The governance framework should state that resources are limited. Therefore priorities and project scope, realistic outcomes and time frames need to be clear along with the responsibilities of the Council, Councillors, stakeholders and residents.

5.5 Equalities and Diversity

- 5.5.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
 - advance equality of opportunity between people from different groups
 - foster good relations between people from different groups

The broad purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making, the design of policies and the delivery of services

- 5.5.2 The Equality and Human Rights Commission guidance advises public authorities to::
- have an adequate evidence base for decision making and to consider what engagement needs to be undertaken with people who have an interest in tackling discrimination, advancing equality and fostering good relations
 - analyse the effect of a policy or practice on equality.

It will be important that proposals put to sub committee are inclusive, take account of the needs of all citizens and reflect the diversity of the area. Proposals should be accompanied with some analysis of the equalities impact so that this can be taken into account in decision making.

5.6 Consultation and Engagement

5.6.1 These proposals are a response to extensive resident consultation about the changes to the Council's Committee system, which were carried out between 23 August and 22 September 2013. In addition members of the Citizens Panel were also consulted and this took place between 30 August and 30 September. A total 575 responses were received

5.6.2 The Community Participation Strategy will link the implementation of these proposals with our broader work to improve engagement and gain a better understanding of our citizens and their needs.

5.6.3 Resident Forums will be one of the avenues used to help promote awareness of the Area based budgets, along with community organisations invited to attend the meetings. Information on the Area Budgets will also be included in the Resident Forum publicity.

6. BACKGROUND PAPERS

6.1 The Agenda, report and minutes of the Council meeting held on the 21 January 2014 can be here;
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=7515&Ver=4>

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	<h2>Community Leadership Committee</h2> <h3>25 June 2014</h3>
<p style="text-align: center;">Title</p>	<p>Community Right to Bid: Consultation and recent developments</p>
<p style="text-align: center;">Report of</p>	<p>Stephen Evans – Assistant Director, Commissioning Strategy</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Enclosures</p>	<p>Appendix 1: Summary DPR, Consultation on proposed changes to the Community Right to Bid</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Stephen Evans, Assistant Director, Commissioning Strategy stephen.evans@barnet.gov.uk 020 8359 3021</p> <p>Elissa Rospigliosi, Commissioning & Policy Advisor elissa.rospigliosi@barnet.gov.uk 020 8359 7158</p>

<h2>Summary</h2>
<p>The Localism Act 2011 introduced the Community Right to Bid, a new right for local people to nominate buildings or pieces of land that they believe contribute to the social interests or wellbeing of their local communities to be listed on a register of Assets of Community Value (ACVs), managed by the local authority.</p> <p>The Right applies to public and private property, although there are a number of exceptions under the legislation, including private residences.</p> <p>Once an asset has been listed as an ACV, a restriction is placed on it which means that if – and only if - it is to be either sold or leased for a period of 25 years or longer, and a constituted voluntary or community group puts in a proposal to buy it, then the sale or lease is delayed for six months to give the community time to raise funds to bid for it at market value. The owner is under no obligation to accept this bid and can sell the property to whomever they wish once the six months is over.</p> <p>In Barnet, eight assets have so far been nominated as ACVs. Six have been listed and one rejected. A nomination was received in May 2014 to list the New Barnet Community Centre as an ACV and this report asks the Committee to make a decision on this</p>

nomination.

Past nominations, and enquiries from local community groups and landowners, have suggested that there is some confusion over the purpose of the Right and what it means in practice. If this remains unclear, it could mean that local communities are unable to make use of their rights or to access support they may need.

This confusion falls under three headings:

- Firstly, 'social interests or wellbeing' is not clearly defined in the Localism Act, and under the previous administration, the Council consulted on proposals to develop this further, with reference to local priorities. This report presents the results of the consultation.
- Secondly, more clarity is needed about the impact which listing an asset has on the landowner's ability to sell it for profit. The restrictions the Act places on assets have very limited impact in practice – the nominating group or other community groups do not gain a 'right of first refusal' as a result of the listing, and there are a number of exemptions in place which restrict its impact on public sector assets in particular. Again, this needs to be clarified so that the Council, landowners, and community groups all have appropriate expectations of their rights and responsibilities under the process.
- Thirdly, it is important to clarify that when the Council is considering disposing of an asset, it will need to balance the direct benefits of community use of the asset against the need to promote economic growth in the Borough and to manage expectations about whether there is a realistic prospect of such an asset being transferred to the community using the Community Right to Bid.

The issues which have arisen from administration of the Act locally therefore suggest the need for clearer guidance on the policy and process, and this is supported by the results of the consultation.

The report also proposes that the Council looks for opportunities to promote its ambitions with regard to community participation through the Community Right to Bid policy and through links between this and the developing Community Asset Strategy, balancing these, as appropriate, against the need to generate income from its own assets and to promote economic growth more broadly.

Recommendations

- 1. That the Committee note the results of the consultation held prior to the election on the Council's approach to Community Right to Bid and the issues that have arisen from administration of the Right locally.**
- 2. That, in light of the confusion surrounding the Community Right to Bid, the Committee agrees the need for clearer guidance to be issued by the Council.**
- 3. That the Committee agree that the Council, where appropriate, should make more strategic use of the Localism Act and the Community Right to Bid in order to achieve its ambitions with regard to community participation and to**

the developing Community Asset Strategy.

4. That the Committee agree that New Barnet Community Centre should be listed as an Asset of Community Value and added to the Register, in response to the nomination received in May 2014.

1. WHY THIS REPORT IS NEEDED

1.1 The Community Right to Bid

The Localism Act 2011 introduced a new right for groups of local people (a community interest group, a Neighbourhood Forum, or a group of at least 21 residents) to nominate buildings or pieces of land which contribute to the 'social interests or wellbeing' of their local communities to be listed on a register of Assets of Community Value, which is maintained by the local authority.

1.2 Nominations can apply to public or private assets, although certain kinds of asset (such as private homes) are exempt.

1.3 The Act asks the Council to consider whether the main use of the nominated asset contributes to social interests or wellbeing, and whether it is realistic to think it will continue to do this (whether or not the use remains exactly the same).

1.4 The Act defines social interests as 'including cultural, recreational, and sporting interests'. There is no further definition, although it is commonly accepted that 'social interests' also includes issues such as health or education.

1.5 The tests the Council must by law apply when assessing Community Right to Bid nominations are:

- Is the asset currently furthering the social interests or social wellbeing of the local community?; or
- (If the asset is disused) was there a time in the recent past when the asset furthered social interests or wellbeing?
 - and, if so:
- Is there is a realistic chance of the asset continuing to do so, or (in the case of resumed use) doing so again in the next five years?

1.6 If the Council deems that the nominated asset meets the criteria, a restriction is placed on the asset. If – and only if – the owner wishes to sell the asset or to lease it for more than 25 years, and if – and only if – a local, constituted community group expresses an interest in taking it on and continuing its community use, then the sale is delayed for a six month period. This is designed to give the community group the opportunity to raise funds to try to purchase the asset – at market value – before it is placed on the open market.

1.7 The owner is under no obligation to accept the community's bid over any other bid. There is no 'right of first refusal' for the community group, only the right to request the initial delay. The owner is free to work with other potential buyers and stimulate the wider market during the delay period. Once the six months

is up, and if no bid is then accepted, there is an eighteen month period during which no one can exercise the Community Right to Bid on that asset.

- 1.8 The Act therefore has no impact unless an asset is being put up for sale or long term lease *and* local feeling about it is strong enough that local people have a constituted group in place to put in a proposal to buy it. Even if all these conditions are in place, the only limitation is the six-month delay, after which the owner can sell the asset to whomever they wish.
- 1.9 The Council has ambitions to promote economic growth in the Borough and assets have an important part to play in supporting this. When deciding how to dispose of its own assets, the Council will always need to balance the immediate needs of the community against these wider priorities and to ensure that it obtains best value from its assets as required of it by the Local Government Act 1972, which may include consideration of the future value of the land, including future receipts from Council Tax were the land to be developed for residential property.
- 1.10 Nothing about an asset's being listed would prevent the Council from selling it on the open market rather than to a community group, should the former option be deemed to offer best value. The Act also gives a number of exemptions to the six-month delay, and among these are disposals where the asset is to be used as a school or for the purpose of providing health services, which limits its potential impact on the Council.
- 1.11 **Links with the planning process**
The Community Right to Bid has limited impact on the planning process. The Council would already take account of the community value of an asset in the course of a planning decision and so a listing would not by itself be a material factor. The planning history of an asset may have some impact on the Community Right to Bid process as, if an asset is not currently in community use, the Council must decide whether the prospect of its coming back into community use is realistic. In such a case, the planning history may be a useful indication of whether the asset is likely to come back into community use or, for example, to be brought forward for development.
- 1.12 **The Community Right to Bid in Barnet**
In Barnet, eight assets have been nominated so far. Six have been listed and one rejected.
- 1.13 Contact with community groups and landowners through the Community Right to Bid process has suggested that both have some misconceptions about the policy and the rights it confers, such as
 - whether listing an asset means it is likely to come up for disposal in the near future (it does not – listing an asset as an Asset of Community Value has no bearing on whether it is likely to come up for disposal in the future, it simply places a restriction on that asset if it does);
 - whether or not communities gain the right of first refusal if it does (they do not – the asset owner is under no obligation to sell or lease the asset to a community group even if they submit a formal bid), and

- whether a community bid will be considered more favourably than one from a private sector organisation (each bid should be considered on its own merits).
- 1.14 This degree of misunderstanding about the Right to Bid means that community groups may have expectations of their rights under the Localism Act which cannot be fulfilled, and may commit resources to developing bids which may not be successful, particularly if an asset has been listed as an ACV but where the owner has no intention to dispose of it.
- 1.15 It also means that community groups who are interested in getting more involved in providing services and activities in their local areas may find it more difficult to access the support and resources which are available to them. As a result the Council may miss opportunities to make use of and increase community capacity.
- 1.16 **Other policy on community assets: Community Asset Transfer**
- There have been other policies aimed at giving the community greater powers to take on and run local assets, such as Community Asset Transfer.
- 1.17 Community Asset Transfer is not the same process as the Community Right to Bid. The main difference is that in Community Asset Transfer, public bodies can proactively choose to transfer the ownership or management of their assets to the community, often at less than market rates.
- 1.18 Community Asset Transfer is a proactive process into which public bodies enter voluntarily and involves only public sector assets, while the Community Right to Bid affects both public and private assets and involves communities establishing a pre-emptive legal right to do something very specific in relation to a building or piece of land.
- 1.19 The requirements on communities and the expectations they can have of taking control of an asset are very different depending on which process is being used, so it is important that the meaning of each policy is made clear to communities.
- 1.20 Contact with the community through the Community Right to Bid process has suggested that there is confusion about the difference between it and Community Asset Transfer.
- 1.21 **Defining social interests and wellbeing**
- ‘Social interests or wellbeing’ is very broadly defined in the Localism Act, and because of this its practical meaning is still emerging.
- 1.22 Some local authorities have offered further definitions and guidance to communities about what they might consider to constitute social interests or wellbeing.
- 1.23 It is important that communities are as clear as possible about what this means so that they understand whether assets are likely to pass the statutory tests and do not spend time nominating those which do not.

1.24 The Council has felt that because the Localism Act's criteria, as defined by the Government and set out in paragraph 1.5, are so broad, the way in which nominations are assessed could be made more responsive to the needs of Barnet's residents.

1.25 To do this, the Council proposed amending local policy in order to give more information about local priorities which contribute to social or community wellbeing, and how it would take these and other criteria into account when considering whether to list an asset.

1.26 **Consultation and responses**

This draft policy was consulted on between 11 February and 24 March 2014.

It proposed that:

- Local priorities should be defined with reference to one or more of the following:
 - The distinctive character of the local area
 - The priorities set out in the Council's Corporate Plan
 - The priorities set out in the Council's Core Strategy
 - The needs of the Borough's growing population.
- When assessing nominations against the statutory tests, the Council should consider the following
 - Whether it was realistic to think the asset's main use would continue its contribution to social interests or wellbeing, or would resume this within the next five years
 - Whether its contribution was sustainable
 - The commercial viability of the nominating group, including their ability to raise funds.

1.27 There were 29 responses to the consultation, and the overall response to the proposals was unfavourable.

1.28 Respondents argued that:

- 'Local area' does not mean the whole Borough and so truly local priorities for a community or area might not be the same as those set out in overarching strategies for the Borough
- Residents are likely to have better knowledge of these local priorities than the Council does, and nomination of an asset might actually be evidence of this
- The Act already allows the Council to consider whether an asset's contribution is sustainable or realistically likely to continue, while the commercial viability of the nominating group is irrelevant.

1.29 **Discussion**

The Localism Act implicitly supports the view that social interests or wellbeing should be defined at the lowest possible level – certainly below local authority level. The Act devolves its power to local communities, not local authorities.

1.30 The Council's proposals referred to priorities which have been set at Borough level, but while the Council might still need to consider those priorities when

considering an asset's contribution to social interests or wellbeing, it would need to do so only if they are relevant to the particular local community in question.

- 1.31 The commercial viability of the nominating group is not usually relevant at nominating stage, though might become so if a group were trying to make the case for a future social or community use of an asset and needed to show that this was based on a sustainable business model.

Recommendation: The Council should produce clear guidance to accompany the Community Right to Bid policy:

- explaining the criteria which might be considered in relation to nominations as and when these are relevant to the community or local area in question.
- giving examples of when and how these criteria might be relevant, reflecting the points in paragraphs 1.30 and 1.31 above.
- clarifying how a listing will be taken into account when an asset is disposed of, including the need to balance considerations of best value and economic growth against the immediate needs of voluntary and community groups.
- setting out the limitations of the Right for both communities and landowners.
- clarifying the relationship between the Right and other policy areas such as Community Asset Transfer.
- signposting community groups, through the appropriate routes, to information about available support for their activities, including routes by which they may explore taking control of assets.

Recommendation: the Council should make strategic use of the Community Right to Bid process as an opportunity to engage with communities, to:

- build our understanding of priorities within small local areas.
- identify existing capacity.
- engage with local groups to identify and signpost them to support where this would benefit both them and the Council.
- identify issues relating to assets to contribute to the Council's Community Participation Strategy and Community Asset Strategy.

1.32 **Specific nominations and the nomination of New Barnet Community Centre**

Specific nominations to register an asset as an Asset of Community Value are made to the Council using a nomination form. Nominations need to be made by a community interest group, a Neighbourhood Forum, or a group of at least 21 residents. The Council has eight weeks to make a decision on the nomination and to respond. Previously, these decisions were taken by the Cabinet Member for Customer Access and Partnerships. Under the Committee system, future decisions are now to be taken by the Community Leadership Committee.

- 1.33 The Council has received a nomination from New Barnet Community Association to list the New Barnet Community Centre as an Asset of Community Value.
- 1.34 The centre is a community hub from which the Community Association carries out a range of activities supporting local wellbeing. These are delivered to a broad cross-section of the community including children, young people, and adults with learning disabilities. The asset therefore passes the first statutory test, furthering the community's social interests or wellbeing, and it is recommended that the asset is recognised as an Asset of Community Value and added to the register.
- 1.35 The New Barnet Community Association's lease runs until 2019, suggesting that the current use will continue for the foreseeable future and meaning that the asset passes the second statutory test.

Recommendation: New Barnet Community Centre should be listed as an Asset of Community Value and added to the Council's Register.

2. REASONS FOR RECOMMENDATIONS

- 2.1 It is more in line with both the spirit of the Localism Act and the views from the consultation if, rather than making a formal change to the policy to restrict listing in line with Borough-wide priorities, the Council instead issues guidance clarifying the priorities we might consider if they were relevant for the particular local area.
- 2.2 Better guidance about the Community Right to Bid, and coordination between this and other processes relating to community assets, would help resolve issues around communities' expectations of their rights under the Act and the need to signpost them to other resources.
- 2.3 New Barnet Community Centre passes both statutory tests required under the Localism Act for it to be considered an Asset of Community Value.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council could adopt the draft policy despite the responses to the consultation, but this would mean ignoring the stated views of residents interested in the policy area.
- 3.2 The Council could make no changes at all to the policy or process, but this would miss opportunities to make the process run more smoothly for residents and to realise additional benefits for the Council.

4. POST DECISION IMPLEMENTATION

- 4.1 The guidance will be prepared, reviewed with residents, published on the Council's website, and communicated to the community.

- 4.2 The strategic uses of the Localism Act will be developed within the Council's Community Participation Strategy and Community Asset Strategy.
- 4.3 New Barnet Community Centre will be added to the register of Assets of Community Value and the nominating group informed of the outcome.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This decision contributes to the Corporate Plan's objective to promote family and community wellbeing and support engaged, cohesive and safe communities by helping communities understand their rights more effectively and gain control of assets where it is appropriate for them to do so.
- 5.1.2 The decision will also improve local people's life opportunities by empowering them, contributing to the Health and Wellbeing Strategy's priority to increase wellbeing in the community.

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

- 5.2.1 There may be financial implications arising from the listing of Council assets, such as the impact of any time delay if the Council wishes to dispose of a listed asset, though these are likely to be limited for the reasons set out above in paragraphs 1.7-1.10. These will be considered as part of the development of the Council's Community Asset Strategy.
- 5.2.2 Improved guidance should reduce the demand of processing nominations on Council services. It may entail greater input from other services as communities become more involved with the Council but this involvement will bring its own benefits.

5.3 Legal and Constitutional References

- 5.3.1 Council Constitution Part 15, Responsibility for Functions, Annex A states the terms of reference of the Community Leadership Committee, including 'to approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to full Council or Policy & Resources'.

5.4 Risk Management

- 5.4.1 There is an inherent risk within the Community Right to Bid process that other initiatives will be endangered by the six month delay period, should that be triggered. This is to be mitigated by clearer awareness of the limitations of rights under the Act, and by work with communities to enable them to access assets by other paths where this is desirable and possible.
- 5.4.2 There is a risk that the guidance will not be clear enough to resolve these issues, which will be mitigated by testing it with residents.

5.5 Equalities and Diversity

- 5.5.1 The recommended guidance will make the process clearer and more accessible to all, promoting equality of opportunity.
- 5.5.2 Strategic use of the Community Right to Bid will enable the Council to improve its understanding of the needs and priorities of the local community, and promote good relations between different groups.
- 5.5.3 The nomination of New Barnet Community Centre foregrounds the Community Association's commitment to equality of access to the building.

5.6 Consultation and Engagement

- 5.6.1 These proposals have been shaped in response to consultation carried out with residents, as detailed in the body of the report.
- 5.6.2 Residents will be involved in reviewing the guidance to ensure it is clear and comprehensible.

6. BACKGROUND PAPERS

- 6.1 The Summary DPR setting out the reasons for the consultation is attached as Appendix 1.

ACTION TAKEN BY CABINET MEMBER (EXECUTIVE FUNCTION)

Subject	Consultation on London Borough of Barnet policy for strengthening the assessment criteria for listing assets under the Community Right to Bid
Cabinet Member	Customer Access and Partnerships
Date of Decision	11/02/2014
Date decision comes into effect	11/02/2014

Summary	The council has developed a draft policy intended to strengthen the criteria for assessing nominations under the Community Right to Bid. The additional criteria are designed to take account of the local context and priorities of the borough, building on the broad criteria set out by Government. This report is to commence a formal 6 week consultation on the changes.
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Officer Contributors	Dion Watts, Policy Officer, Commissioning Group
Status (public or exempt)	Public
Wards affected	All
Enclosures	Annex A - Draft London Borough of Barnet assessment criteria for defining Assets of Community Value
Reason for exemption from call-in (if appropriate)	N/A
Key decision	No

Contact for further information: Dion Watts, Policy Officer, Commissioning Group (ext. 2001)

1. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 1.1 The Corporate Plan for 2013/14-2015/16 is the council's key strategic document and includes the following objectives:
- To create the right environment to promote responsible growth, development and success across the borough
 - To support families and individuals that need it – promoting independence, learning and well-being
 - To improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study
- 1.2 In September 2012, the London Borough of Barnet adopted its Local Plan, replacing the Unitary Development Plan (adopted May 2006). Barnet's Local Plan provides a 'folder' of separate documents, the most important of which is the Core Strategy. This contains the 'vision' for the Local Plan and the most fundamental, cross-cutting objectives and policies that the local authority and its partners will seek to deliver.
- 1.3 In December 2010, the Coalition Government introduced the Localism Bill as part of its objective to shift power back into the hands of individuals, communities and local authorities, and give local people a real share in growth. The main features of the Bill are:
- introduction of new freedoms and flexibilities for local government
 - introduction of new rights and powers for communities and individuals
 - reform to make the planning system more democratic and more effective
 - reform to ensure that decisions about housing are taken locally

The Localism Act, which enshrined these reforms into statute, came into effect in 2012.

2. RISK MANAGEMENT ISSUES

- 2.1 Statutory criteria for determining whether an asset is an Asset of Community Value are broad and do not take account of local circumstances. A number of local authorities have started formulating their own local criteria for listing assets under the Community Right to Bid as an addition to the criteria specified in Section 88 of the Localism Act 2011. Guidance from the LGA and Locality ('Empowering communities: making the most of local assets') encourages councils to adopt this very approach, provided there is consultation with the local community when formulating the authority's policy.

3. EQUALITIES AND DIVERSITY ISSUES

- 3.1 Under the Equality Act 2010, the Council must have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to 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.
- 3.2 Once the consultation exercise has taken place, the proposed changes to how the council will exercise its judgment when making decisions about listing assets under the Community Right to Bid will be reviewed in light of requirements described above to ensure that they will not adversely affect any particular group.

4. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 4.1 The only costs associated with the consultation will be the staff time relating to its implementation and evaluation, for which a budget exists.

5. LEGAL ISSUES

- 5.1 If buildings and/or land are listed as an asset of community value, then if the owner wishes to sell it, a 6-month moratorium period ensues which gives the local community the opportunity to put together a bid and raise funds to purchase it. The moratorium period is triggered if the land or building is to be sold, leased for more than 25 years or otherwise disposed of with vacant possession. A local land charge is placed on the land and a restriction on the title at the Land Registry. Any purported disposal in breach of the provisions of the Community Right to Bid legislation is void.
- 5.2 The landowner whose asset is listed is given a right for an internal review by a senior Council officer and a further right to appeal to the First Tier Tribunal if they feel aggrieved by the decision. They can also claim compensation for any loss as a result of his asset being listed, which is payable by the local authority. Compensation could include any loss in value of the land or building suffered as a result of the listing or loss arising from a delay in selling the asset because of the listing.
- 5.3 Conversely, a nominating community group may not call for an internal review should their application to list an asset be unsuccessful, nor do they have any right of appeal to the courts.

5.4 The criteria for determining whether an asset should be listed are set out in section 88 of the Localism Act 2011 and are as follows:

- is the asset currently furthering the social interests or social wellbeing of the local community?; or
- (if the asset is disused) was there a time in the recent past when the asset furthered social interests or wellbeing?;

and, if so:

- is there is a realistic chance of the asset continuing to do so, or (in the case of resumed use) doing so again in the next five years?

5.5 Social interests are stated to include sporting, cultural and recreational interests, but this is not an exhaustive definition. There is no definition in the Act of what is meant by 'social wellbeing'.

5.6 There is no further guidance as to what the key terms in these definitions mean nor how local authorities should go about exercising their judgement in applying them. It is for the nominating organisation in the first instance to argue why it considers the nominated asset meets the definition in the Regulations.

5.7 There is nothing in the legislation or regulations made under it preventing local authorities from making policies around how they will exercise their judgement when assessing whether a nominated asset meets the statutory criteria. Other local authorities have formulated policies by which they have regard during the assessment process to their own priorities and local circumstances. The guidance from the LGA referred to above suggests that that approach is to be encouraged, provided appropriate consultation with the local community takes place when formulating or amending the local authority's policy.

6. CONSTITUTIONAL POWERS

6.1 Council Constitution: section 3 (Responsibility for Functions) – paragraph 4.3 enables Cabinet Members to discharge the executive functions that fall within their portfolio, whether or not they are also delegated to officers except for matters specifically reserved to Council, Cabinet or cabinet committees.

7. BACKGROUND INFORMATION

7.1 Under the Localism Act, a company, other incorporated body, parish or town council, or a group of 21 individuals having a connection with the local neighbourhood can apply to nominate a local building or land as

an Asset of Community Value. This applies to council and non-council land and buildings.

- 7.2 The council intends to strengthen the criteria against which assessments are made to take into account local circumstances and priorities of the borough. This is to avoid inconsistent decisions that are not linked to the council's strategic priorities. Analysis has shown that a number of other authorities have started formulating their own local criteria as an addition to the criteria specified by DCLG.
- 7.3 The council has developed a draft set of additional criteria (Annex A) which reflect the priorities set out in the council's Corporate Plan and the Core Strategy set out in the Local Plan.
- 7.2 The council will consult on these additional criteria with local residents, businesses and voluntary and community groups, via an online survey, for a period of 6 weeks.

8. LIST OF BACKGROUND PAPERS

- 8.1 None

9. DECISION OF THE CABINET MEMBER(S)

I authorise the following action

- 9.1 That this report authorises the commencement of a 6 week consultation. The consultation period will be from 11 February 2014 until 22 March 2014.

Signed



Date

11th Feb 2014

ANNEX A –

Draft London Borough of Barnet assessment criteria for defining Assets of Community Value

- When assessing nominations for inclusion on the Register of Assets of Community Value in Barnet, the council will consider the criteria set out in section 88 of the Localism Act 2011 – whether the principal use of the nominated asset furthers the social interests or social wellbeing of the local community and may realistically continue to do so (whether or not for the same use).
- When interpreting these key phrases to make decisions on what constitutes the social interests and social wellbeing of the local community, the council will consider:
 1. The extent to which the nominated asset is considered to be essential to the special character of the area.
 2. The strategic priorities set out in Barnet's Corporate Plan at the time, which are currently:
 - i. Promote responsible growth, development and success across the borough;
 - ii. Support families and individuals that need it – promoting independence, learning and well-being; and
 - iii. Improve the satisfaction of residents and businesses within the London Borough of Barnet as a place to live, work and study
 3. The Core Strategy set out in Barnet's Local Plan at the time, which includes social, economic and environmental objectives and policies, and provides the overarching framework for delivering sustainable development in Barnet.
 4. Barnet's diverse and growing population and the physical and social infrastructure required to meet its aspirations.
- The council will consider nominations on a case by case basis, with particular regard to:
 - The realistic prospect of the asset's principal use continuing or resuming its contribution to social interests or wellbeing within the next five years
 - The sustainability of the asset's contribution to social interests or wellbeing
 - The commercial viability of the nominating group, including the ability to raise funds

AGENDA ITEM 9	
 <p>Community Leadership Committee</p> <p>25 June 2014</p>	
Title	Corporate Grants Programme, 2014/15 – East Barnet Community Festival - approval of award under delegated powers
Report of	Head of Finance
Wards	All
Status	Public
Enclosures	None
Officer Contact Details	Ken Argent, Grants Manager, Finance, Commissioning Group (ken.argent@barnet.gov.uk) (020 8359 2020) Flo Armstrong, Head of Youth & Community Service, Children’s Service (flo.armstrong@barnet.gov.uk) (020 8359 7846)

Summary
This report notifies the approval of a grant in support of the 2014 East Barnet Community Festival under the chief executive’s delegated powers after consultation with the leader, having regard to the proximity of the festival (4-6 July 2014) to the date of this meeting to which the application would routinely have been presented.

Recommendations
To note the decision to award a grant of £1,500 to the organisers of the East Barnet Community Festival from the 2014/15 corporate grants programme, subject to the council’s Standard Conditions of Grant Aid.

1. WHY THIS REPORT IS NEEDED

- 1.1 Voluntary organisations may apply for a one-year start-up grant of up to £10,000 or a one-off grant of up to £5,000.
- 1.2 East Barnet Community Festival (EBCF) takes place annually in Oak Hill Park, East Barnet. It attracts up to 20,000 people each year, depending on the weather. Designed to appeal to whole families, a range of activities includes live music and dance, combining displays and participatory events. Up to 1,000 people perform. Entertainment is provided on two stages and in marquees and is complemented by 60 or more stalls hired by local voluntary and community groups to promote their activities and raise funds. There is also a commercial funfair.
- 1.3 The organisers of the festival traditionally seek a decision in May on an application for a council grant to help balance the annual festival budget. The assessment of this year's application was presented for decision under the former delegated powers scheme, but remained unresolved. Awaiting a decision by this committee would compromise the budgeting for this year's event. A grant of £1,500 has therefore been approved under delegated powers after consultation with the leader.
- 1.4 The approved sum is in relation to a pre-grant shortfall of £1,594 on a festival budget of £31,835. The organisers state the award will go towards making up the balance of funding required to hire stages and tents (£1,680) after the loss of sponsorship which defrayed some of that expenditure in 2013.
- 1.5 In accordance with the council's constitution, paragraph 7.2 of Responsibilities for Functions, the parent committee must be informed at its next meeting of any decisions discharged by the chief executive under delegated powers in consultation with the leader of the council or the chairman of the relevant committee where a decision was so urgent that there was insufficient time in which to convene a meeting.

2. REASONS FOR RECOMMENDATIONS

- 2.1 EBCF is one of Barnet's largest festivals and encourages voluntary participation on many levels. The festival reaches a large number of people at relatively little expense, with significant voluntary input and the need for only a modest subsidy, and encourages greater use of and appreciation of Barnet's green spaces.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The new constitution provides for urgent matters to be presented to an Urgency Committee, to be convened with the consent of the leader, an option that was considered inappropriate in this case having regard to the value of the grant.

4. POST DECISION IMPLEMENTATION

- 4.1 The applicants have been notified of the grant award and, in the absence of any special conditions, the approved sum has been paid.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The council is committed to promoting civic pride; to facilitating the conditions where an active and diverse community can thrive; and to ensuring that Barnet remains a harmonious and cohesive place in which to live. Extending community involvement in arts and recreational activities is an effective means of promoting social integration; building community cohesion; and generating pride in the borough. Community festivals traditionally involve local people taking responsibility for their community and serve to give opportunities to local residents to celebrate what they have achieved and bring different parts of the community together.

- 5.1.2 The council is seeking to develop new and effective partnerships to deliver high quality public services having regard to the significant reduction in government funding. The voluntary and community sector has a significant role to play in this strategy, especially by increasing choice, accessibility and value for money, leading on innovative solutions and improving customers' perception of public services.

- 5.1.3 A Third Sector Commissioning Framework, approved by the Cabinet Resources Committee in July 2008, sets out guidelines to bring consistency to the council's financial arrangements with the voluntary and community sector and bring procurement from, and grants to, the sector into a single framework consistent with the council's procurement rules.

- 5.1.4 The grants programme offers one-off awards to help voluntary and community groups (a) develop new services and activities and (b) run specific events or meet certain non-recurring items of expenditure.

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

- 5.2.1 The provision for making start-up and one-off grants in 2014/15 is comprised of a general council fund and funds deriving to the authority from the Edward Harvist Charity and a small annual allocation from the former Borough Lottery Scheme.

- 5.2.2 The current position on the 2014/15 budget, which reflects the sum that is currently held by the council from the Edward Harvist Charity, to be supplemented during the course of the year as and when the council receives further payments, is as follows:

Budget item	2014/15 budget	Approvals to date	Funds available
General fund	£45,000	0	£45,000
Edward Harvist Charity	£44,390	£10,200	£34,190
Former Borough Lottery Fund	£15,000	1,500	£13,500
TOTAL	£104,390	£11,700	£92,690

5.3 Legal and Constitutional References

5.3.1 The council has power to make grants awards under section 1 of the Localism Act 2011.

5.4 Risk Management

5.4.1 All grants are made subject to the council's Standard Conditions of Grant Aid, with which applicants are required to signify their compliance by signing a written undertaking. Amongst other things, the conditions cover how awards are spent, allowing council officers a right of access to proof thereof, and requiring notification of any change in an organisation's circumstances which significantly affect its finances, operations or grant entitlement. The council reserves the right to withhold payment of any approved grant, or to demand full or partial repayment, if it appears that an organisation has failed to comply with any of the conditions attached to the award.

5.5 Equalities and Diversity

5.5.1 Under section 149 of the Equality Act 2010, the council and all other organisations exercising public functions must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by or under the Act;
- advance equality of opportunity between people from different groups;
- foster good relations between people from different groups

The broad purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making; the design of policies; and the delivery of services.

5.6 Consultation and Engagement

5.6.1 The award in question is supported by the Youth and Community Service, which considers that the festival offers good value for money, organised, as it


is, on an entirely voluntary basis and with many acts performing for free in return for publicity, showcasing local talent and stimulating interest in the arts and in the local community.

6. BACKGROUND PAPERS

- 6.1 Cabinet Resources Committee, 22 July 2008 (decision item 11): approval of a Third Sector Commissioning Framework.
- 6.2 Council, 4 March 2014: approval of corporate grants budget for 2014/15.

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AGENDA ITEM 10

	<p align="center">Community Leadership Committee 25 June 2014</p>
<p align="center">Title</p>	<p align="center">Community Leadership Committee Work Programme</p>
<p align="center">Report of</p>	<p>Pam Wharfe, Strategic Director of Growth and Environment</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Enclosures</p>	<p>Appendix A - Committee Work Programme June 2014 to April 2015</p>
<p align="center">Officer Contact Details</p>	<p>Chidilim Agada - Governance Service Officer chidilim.agada@barnet.gov.uk 020 8359 2037</p>

Summary

The Committee is requested to consider and comment on the items included in the 2014/15 work programme

Recommendations

- 1. That the Committee consider and comment on the items included in the 2014/15 work programme**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Community Leadership Committee Work Programme 2014/15 indicates forthcoming items of business.
- 1.2 The work programme of this Committee is intended to be a responsive tool, which will be updated on a rolling basis following each meeting, for the inclusion of areas which may arise through the course of the year.
- 1.3 The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

2. REASONS FOR RECOMMENDATIONS

- 2.1 There are no specific recommendations in the report. The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable.

4. POST DECISION IMPLEMENTATION

- 4.1 Any alterations made by the Committee to its Work Programme will be published on the Council's website.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Committee Work Programme is in accordance with the Council's strategic objectives and priorities as stated in the Corporate Plan 2013-16.

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

- 5.2.1 None in the context of this report.

5.3 Legal and Constitutional References

- 5.3.1 The Terms of Reference of the Community Leadership Committee is included in the Constitution, Responsibility for Functions, Annex A.

5.4 Risk Management

5.4.1 None in the context of this report.

5.5 Equalities and Diversity

5.5.1 None in the context of this report.

5.6 Consultation and Engagement

5.6.1 None in the context of this report.

6. BACKGROUND PAPERS

6.1 None.

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**London Borough of Barnet
Community Leadership
Committee Work Plan
June 2014 - September 2014**

Contact: Chidilim Agada 020 8359 2037

Subject	Decision requested	Report Of	Contributing Officer(s)
25 June 2014			
Community Leadership Committee Business Planning	To agree the scope and process for developing savings proposals to meet the financial targets set out in the Medium Term Financial Strategy as they relate to the Community Leadership Committee.	Commissioning Strategy Assistant Director, Strategic Director for Communities, Strategic Director for Growth and Environment	Commissioning Strategy Assistant Director, Family and Community Well-being Lead Commissioner
Community Participation Strategy	To agree the framework, principles and broad approach to community participation and involvement across the public, private and third sectors.	Commissioning Strategy Assistant Director	Commissioning Policy Advisor
Area Sub-Committees - Budget Arrangements	To approve arrangements for governance, accountability and priority-setting for budgets allocated to Area Environment Sub-Committees.	Commissioning Strategy Assistant Director, Head of Governance	Commissioning Policy Advisor, Governance Officer

Subject	Decision requested	Report Of	Contributing Officer(s)
Process for Considering Nominations under Community Right to Bid	Prior to the Local Elections, the Council consulted on proposals for putting in place additional local guidance – to supplement the broad criteria set by Government – for assessing nominations for local assets to be made 'Assets of Community Value'. The six week consultation closed on 24 March 2014. The Committee are requested to note the results of the consultation and the links between the Community Right to Bid and the Council's ambitions with regard to Community Participation and its Community Asset Strategy. The committee are also asked to consider the nomination to list the new Barnet Community Centre as an Asset of Community Value.	Commissioning Strategy Assistant Director	Commissioning Policy Advisor
11 September 2014			
Community Safety Strategic Assessment	To review the findings of the Community Safety Strategic Assessment.	Family and Community Well-being Lead Commissioner, Community Well-being Assistant Director	
Addressing Serious Youth Violence in Burnt Oak	To note an update report.	Community Well-being Assistant Director, Early Intervention and Prevention Assistant Director	

Subject	Decision requested	Report Of	Contributing Officer(s)
Implementation and Enhancements of Partnership Safer Communities Strategy	To note an update report.	Community Well-being Assistant Director	
26 November 2014			
Community Leadership Committee Business Planning	To approve five year commissioning priorities, proposals for meeting financial targets set out in the Medium Term Financial Strategy (MTFS) and proposed Management Agreement.	Strategic Director for Growth and Environment	Commissioning Policy Advisor, Commissioning Strategy Assistant Director
Community Safety Strategy 2015 - 2017	To endorse the draft Community Safety Strategy to Safer Communities Partnership Board for approval.	Community Well-being Assistant Director, Family and Community Well-being Lead Commissioner	
11 March 2015			
Management Agreements	To review management agreements as they relate to the Community Leadership Committee.	Strategic Director for Growth and Environment	Family and Community Well-being Lead Commissioner
Commissioning Priorities	To agree commissioning priorities for 2015/16.	Strategic Director for Growth and Environment	
Assets of Community Value	To take a final decision on whether an asset should be listed as an Asset of Community Value.	Commissioning Strategy Assistant Director	

Subject	Decision requested	Report Of	Contributing Officer(s)
Grant Awards	The approval of Corporate Grant awards as related to the work of the Committee.	Deputy Chief Operating Officer	Grants Manager
Review of Effectiveness of Dedicated Place Order for Street Drinking	To receive a review of effectiveness of the borough-wide Dedicated Place Order for Street Drinking / Alcohol Free Zone <i>Referral from Business Management OSC 11 March 2014.</i>	Community Well-being Assistant Director	Head of Community Safety
Neighbourhood Policing Model	To receive an update on the implementation of the Neighbourhood Policing Model <i>Referral from Business Management OSC 11 March 2014.</i>	Community Well-being Assistant Director	Head of Community Safety

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