

MEETING

ENVIRONMENT COMMITTEE

DATE AND TIME

THURSDAY 12TH JUNE, 2014

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, NW4 4BG

TO: MEMBERS OF ENVIRONMENT COMMITTEE (Quorum 3)

Chairman: Councillor Dean Cohen
Vice Chairman: Councillor Brian Salinger

Councillors

Maureen Braun	Kath McGuirk	Caroline Stock
Claire Farrier	Joan Scannell	Agnes Slocombe
John Hart	Alan Schneiderman	Laurie Williams

Substitute Members

Sury Khatri	Tim Roberts	Stephen Sowerby
Adam Langleben	Lisa Rutter	

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

Andrew Nathan – Head of Governance

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ASSURANCE GROUP

ORDER OF BUSINESS

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1.	Absence of Members	
2.	Declarations of Members Disclosable Pecuniary Interests and Non-pecuniary Interests	
3.	Public Questions and Comments (if any)	
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6.	Environment Committee Forward Work Programme	85 - 92
7.	Any Item(s) that the Chairman decides are urgent	
8.	Motion to Exclude the Press and Public	
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	<h2>Environment Committee</h2> <h3>12 June 2014</h3>
<p style="text-align: right;">Title</p>	<p>Business planning – Corporate Plan and Medium Term Financial Strategy 2015/16 to 2019/20</p>
<p style="text-align: right;">Report of</p>	<p>Pam Wharfe, Strategic Director of Growth and Environment</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 A: Priorities & Spending Review 2014 Appendix B: Service Information Pack</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Declan Hoare, Lead Commissioner Housing & Environment, 0208 359 4320 declan.hoare@barnet.gov.uk</p>

<h2>Summary</h2>
<p>A report is to be considered by Policy and Resources Committee on the 10th June 2014 outlining the future financial challenge facing the Council, 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 Environment Committee are set out in the main body of this report.</p> <p>Subject to Policy and Resources Committee agreeing the report on the 10th June the Environment Committee is recommended to:</p> <ul style="list-style-type: none"> • Note the financial target of £5.9 million set by Policy and Resources Committee. • Note the timetable of activity to develop priorities and savings proposals to report back to Policy and Resources Committee on 2 December 2014. • Agree nominations for membership of working group[s] to develop savings proposals. • Provide a report making recommendations on commissioning priorities and savings proposals to Policy and Resources Committee for consideration in the draft budget and business plan.

Recommendations

- 1.1 That Environment Committee note the Policy and Resources Committee report as set out in Appendix A;**
- 1.2 That Environment Committee note the savings target of £5.9 million, and the allocation of the remaining budget gap of £2.5m;**
- 1.3 That Environment Committee agree membership of working group(s) to develop savings proposals;**
- 1.4 That Environment Committee agree to report back in the autumn with an agreed commissioning plan and savings proposals for inclusion in the Policy and Resources Committee meeting on 2 December 2014.**
- 1.5 That Environment Committee note the service information packs included in Appendix B which provide some contextual information on budgets, past spend and performance data, contracts, customer and staffing data.**

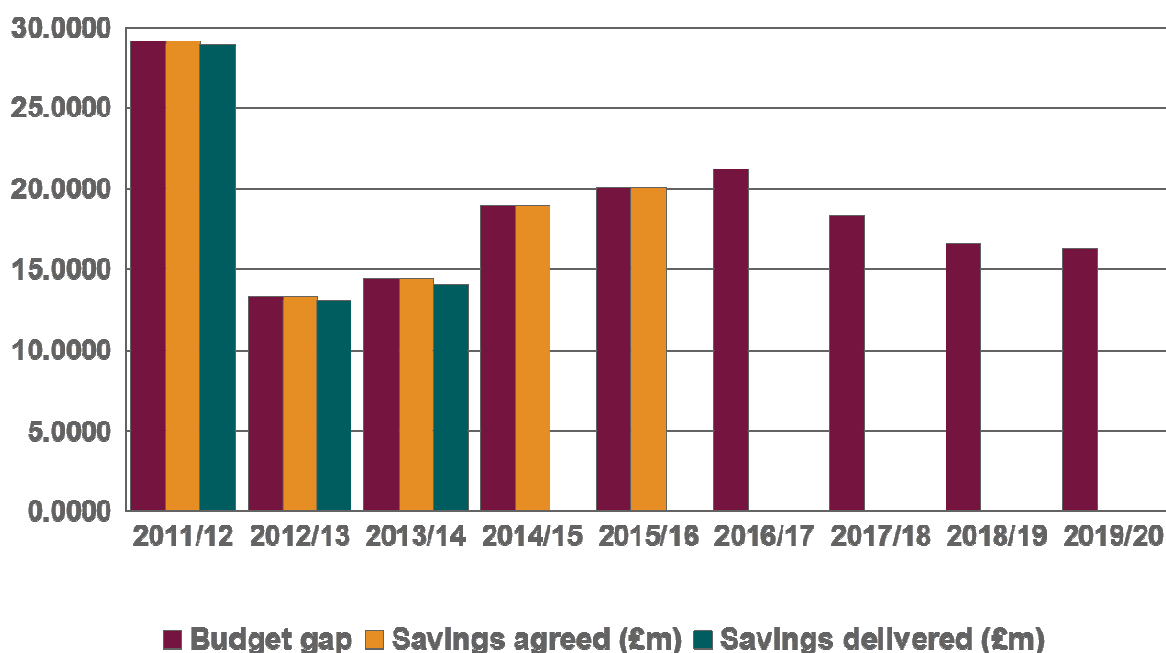
1. WHY THIS REPORT IS NEEDED

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 £700bn 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.



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 The Barnet Priorities and Spending Review

1.3.1 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

vitaly 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**.

1.3.2 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 10 months. The 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, it merely provides information to Theme Committees to enable members to respond to the challenge.

1.3.3 The elements of the PSR report relevant to the Environment Committee are as follows:

Environment Committee – savings and income of £5.9 million

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 each of the four internally delivered services of refuse and recycling, grounds maintenance, street cleansing and vehicle maintenance. 	
<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"> Examining how alternative delivery models may deliver improved outcomes for waste, parks and cleansing. 	
<ul style="list-style-type: none"> Affecting changes in 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

The PSR has identified a substantial package of **efficiency measures totalling £2.4 million** within the Streetscene Delivery Unit which seek to improve the productivity and effectiveness of four key internally delivered services - refuse and recycling, grounds maintenance, street cleansing and vehicle maintenance. The changes include root and branch reviews of service need, route and round structures, operational hours, staff productivity and Employment Terms and Conditions.

As an example, 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 is being 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 these services as part of a data led transformation project which seeks to maximise effectiveness, whilst reducing cost.

The PSR has also identified the potential for efficiencies and driving 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 or elements of the service such as the household waste recycling centre or the community management of bowling greens.

In terms of 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 because of the complex nature of the financial rules governing how disposal costs are apportioned. Whilst the borough is geographically large and has a large number of households, there is still much pro-active work that can be done to tackle the amount of waste generated and therefore reduce cost, so this is an area of substantial focus and has the potential to delivery approximately £2.7 million in savings. This will be achieved through establishing good data about future waste forecasts; the development of a commissioning policy; active client management of the NLWA relationship to get the best deal for Barnet; continuing to expand the recycling offer and getting a better price for the recycled materials collected. It will also be achieved by working creatively with residents to affect behavioural change so that they can take control of their waste by making more

informed choices through good quality information on packaging, recycling and disposal costs - to reduce the amount of waste produced by each household.

The PSR has identified opportunities to maximise the use of parks and open spaces to generate income, by looking at park based 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, sales of the cleansing, and grounds maintenance by selling services to the commercial sector.

1.4 Commissioning Plans and the Corporate Plan

1.4.1 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.

1.4.2 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.

1.4.3 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**

1.5 Capital Programme

1.5.1 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 agree these by November for inclusion in the draft budget report to Policy and Resources committee in December 2014.

1.6 Timetable

1.6.1 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: Budget 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)

1.7 Consultation

17.1 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.

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. 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 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, theme committees will 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 MTFs and annual business planning process as it relates to the Environment Committee. In March 2014, the Council set a two year MTFs 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 will 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 Environment 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 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. 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

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Appendix A: Priorities & Spending Review 2014

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, thorough 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).

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.

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 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.

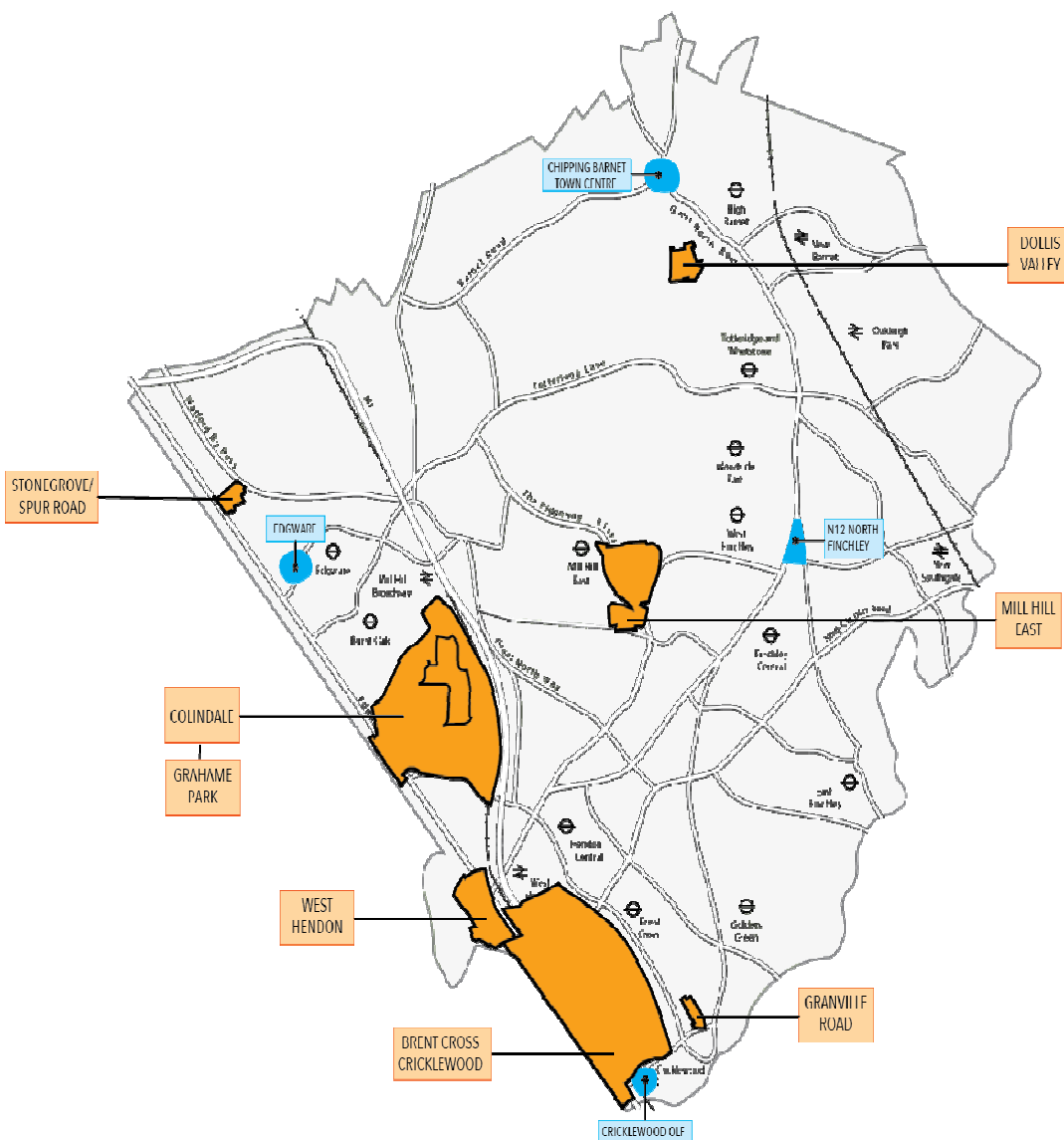
4.3 Whilst the council is committed to embracing regeneration as a driver for continued success, it is essential that regeneration is delivered by the council and its partners in a **responsible and sustainable way**. The council will ensure that **Barnet's green and open spaces**

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

⁸ Department for Education, May 2014

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 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

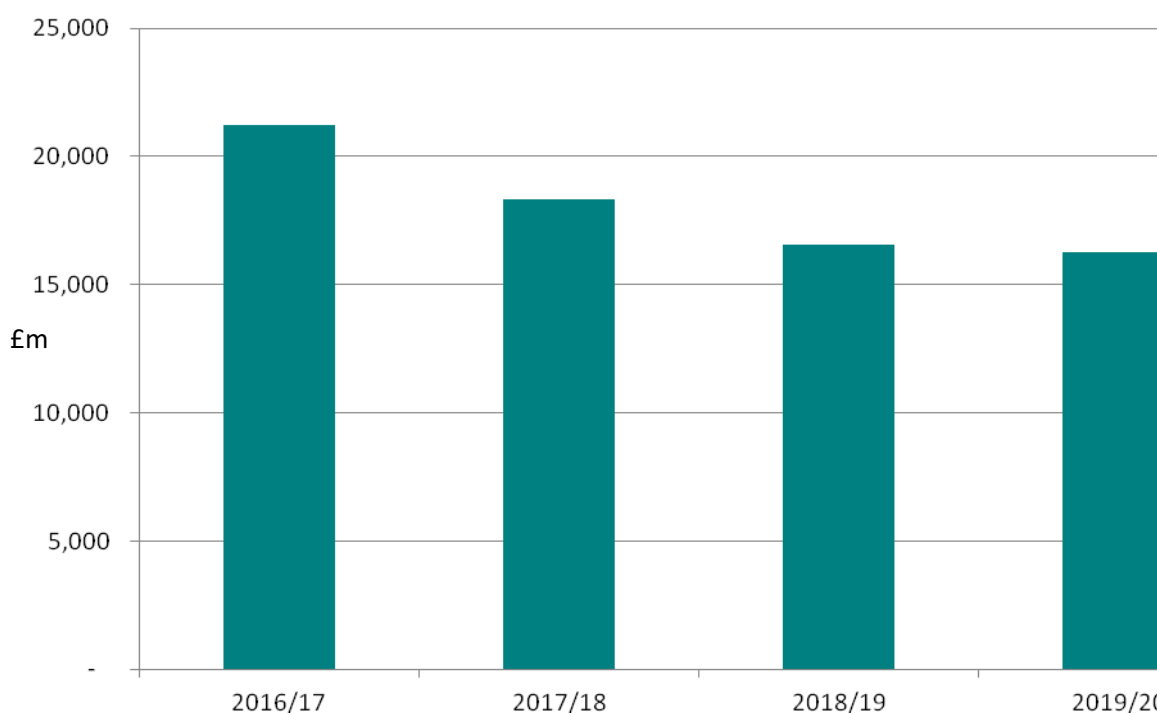
6.5 The PSR financial model was used to develop the council’s forecast budget over the period 2016/17 to 2019/20. The output of this modelling has shown that **the scale of the budget gap facing the council over the period is forecast to be £72 million**, with the following profile:

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*.

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 through 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 understanding 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

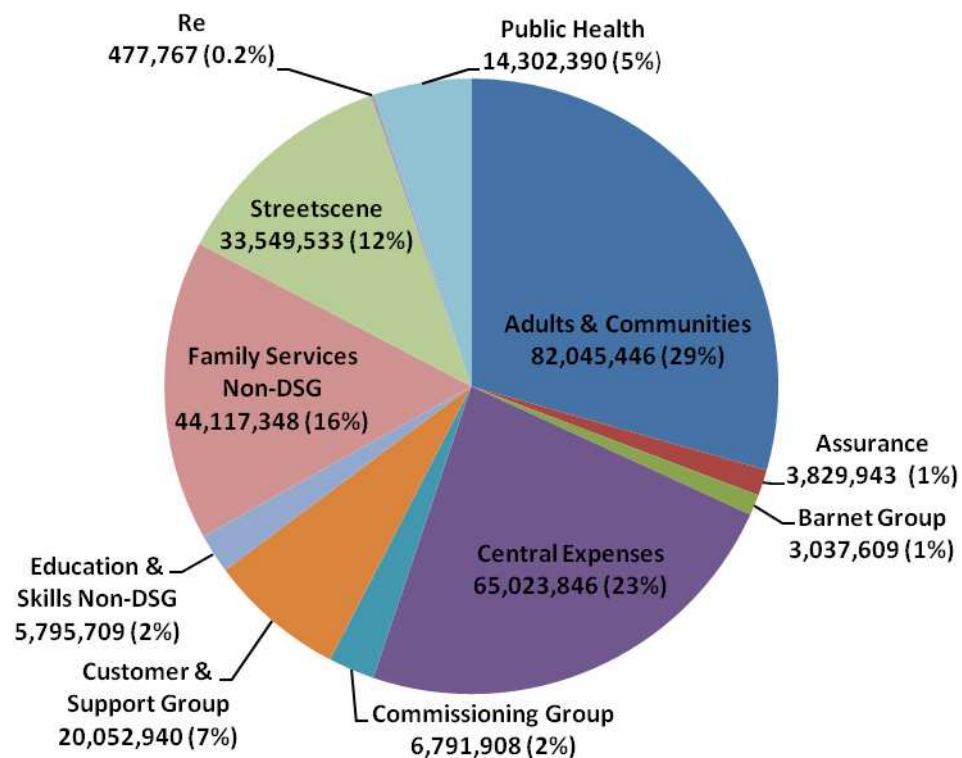
7.3 Before outlining the PSR options, it is important to set the context by considering how the council’s current budget is currently constructed and, therefore, where savings will need to be made.

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

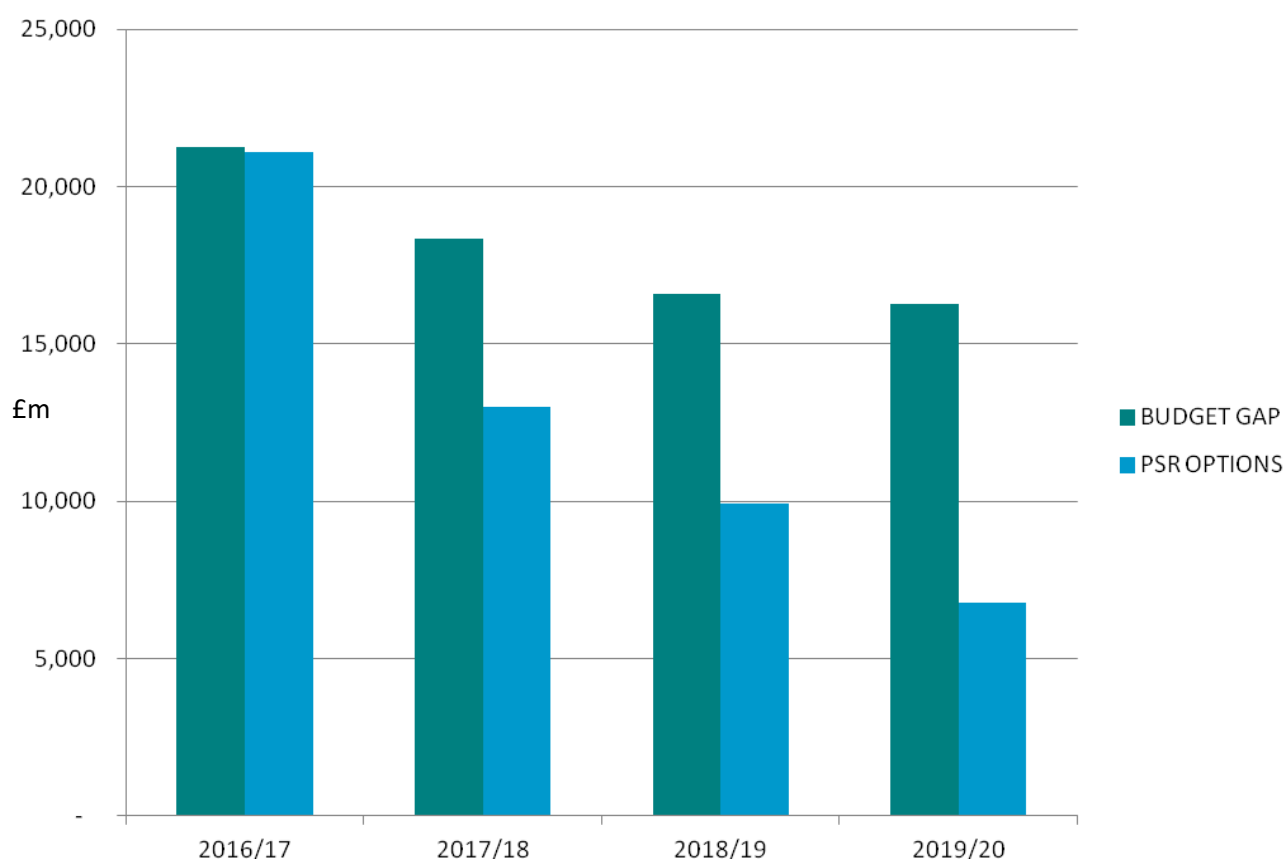
8.2 In terms of the expected **profile** of the savings and income options outlined, the graph illustrates that, if Council chose to implement the full package of PSR options outlined in this report, and assuming the total quantum of savings were to be realised, **the forecast budget gap of £21 million 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: Service Information Pack

Contents
1.1 Summary of planned savings Medium Term Financial savings anticipated for the next two years and past savings already achieved
1.2 Overview of Finance Headline Budget Information including previous year spend comparison (with link to budget book 2014/15)
2.1 Environment 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)
3.1 Past Spend and Performance Unitised spend against 2012/13 budget and most recent published performance benchmarking
4.1 Overview of Human Resources Current establishment (as at 31 st May 2014) and salary distributions
4.2 Contracts Total sum of contracts over £25k
5.1 Links to other information and data



1.1 Summary of Planned Savings

Type	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)	(£000s)
Achieved savings total	(2,111)^	(2,111)^	(2,738)*	(1,301)		
Savings through transforming services to reduce expenditure					(653)	(1,424)
Efficiencies total					(653)	(1,424)
Savings through reduction in street lighting energy costs					(200)	
Service Reductions total					(200)	
Income from increase in trade waste collection					(50)	
Income generation from private events					(20)	
Income from central government					(282)	(427)
Income total					(352)	(427)
Pressures	107^	107^	500*			
Pressures total	107	107	500			
Grand Total	(2,004)	(2,004)	(2,238)	(1,301)	(1,205)	(1,851)
Budget~					32,949	33,550
% of Budget					3.7%	5.5%

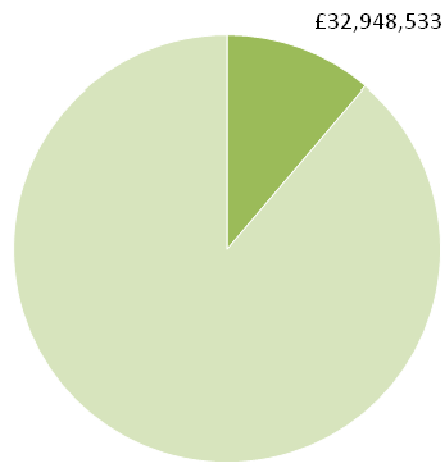
^ Environment & Operations

* Environment, Planning & Regeneration Including SPA

~ Comprising of the Street Scene budget

1.2 Finance information 2014-15

Environment



As a proportion of the net budget of the Council.

	2014-15 net (£000s)	2015-16 net (£000s)
Streetscene	32,949	33,550
TOTAL	32,949	33,550

2.1 Environment

The scope of services delivered and monitored by Environment Committee are outlined below:

Service	Service base
Miles of road maintained by administrative area (2012)	468.4
Households (2011 census)	135,916
Area of green space in the administrative area (Land use statistics 2005) (m ²)	35,798.64
Parks and Open Spaces (volumes) ¹	Circa. 200
Households with car or van availability (access to 1 or more cars) (2011 census)	96,892 (<i>households with no access 39,024</i>)
Number of Cars or Vans in Barnet (2011 census)	144,717
Travel to work: Public Transport (2011 census)	75,190
Travel to work: car or van (incl. passenger) (2011 census)	65,821
Travel to work: bicycle or foot (2011 census)	13,120
Parking bays (total spaces available)	Not available. Survey to be completed in 2014/15.
Total parking bays in car parks	1,410
Dry Recycling Tonnage (Most recent-Apr-Dec 2013)	21,030.5
Organic Waste Tonnage (Most recent-Apr-Dec 2013)	18,670.53
Street Lights	28,262
Number of active enterprises (for environmental health purposes)	22,110
Service Requests (April 2013 – March 2014)	57,976
Complaints upheld (April 2013 – March 2014)	2,922
Total number of Penalty Charge Notices (2012-13)	165,569

The priorities as set out in the Corporate Plan for 2014/15 are:

Objective	Indicator	Recent outturn
Promoting responsible growth, development and success across the	Increase the percentage of household waste sent for reuse, recycling and	36.44%

¹ Parks and Open Spaces as defined in Strategic Asset Management Plan as at December 2013
PSR Overview for Environment Committee June 2014

borough	composting (most recent-Apr-Dec 2013)	
	Launching 5 new 'Adopt a place' community schemes at different locations within the borough	5 schemes
	Increased parking in town centres (on street parking bays)	12 month projection 1,633,986
	Increased parking in town centres (car parks)	12 month projection 275,283
Improve satisfaction of residents businesses with the London borough of Barnet as a place to live, work and study	Maintain overall satisfaction levels for the recycling and refuse service	79%
	Make Safe within 48 hours all intervention level potholes reported by members of the public (Oct 14 – Mar 14)	737
	Completion of work on all roads and footpaths identified for resurfacing and maintenance work (Oct 14 – Mar 14)	Roads- 11 Footpaths- 11

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
Reduce the volume of waste presented for collection or sent to landfill and increase the efficiency of collection and disposal services	<p>Revised and updated waste strategy</p> <p>Clear, consistent and informed client view and input to waste disposal options, procurement and NLWA governance</p> <p>Reduction in total average waste tonnage</p> <p>Minimisation of any in increases in tonnage related to population growth</p> <p>Increase in recycling and reuse</p> <p>Revised and clearly communicated service offer for refuse collection and recycling</p> <p>Increased customer satisfaction</p> <p>Outline specification for service, clearer</p>

Top Priorities	Measures of Success
	<p>clienting and market test</p> <p>New depot</p>
<p>Increase resident satisfaction with the parking service and establish coherent, co-ordinated customer facing service offer with a clear accessible effectively communicated policy basis.</p>	<p>Rewritten fully consulted on and adopted parking policy.</p> <p>Increased public and stakeholder satisfaction with councils approach to parking and parking services</p> <p>Keeping traffic moving</p> <p>Increased usage</p> <p>Increased coherence of service offer, reduced confusion around roles, written role differentiation and handover protocols</p> <p>Improved service performance against key indicators</p> <p>Revised IS/IT offer.</p>
<p>Create and improve ambition, vision and capital investment options for parks</p>	<p>Parks vision and strategy</p> <p>Masterplan for Colindale</p> <p>Parks hierarchy and programme to achieve masterplans or plans for other top level parks</p> <p>Staff resource for parks infrastructure projects, and clearer client role.</p> <p>Increase overall usage and usage for sports, physical activity and well being</p> <p>Increased community engagement and public satisfaction</p> <p>£1m inward capital investment</p> <p>Grounds maintenance market text</p>
<p>Sustain borough cleanliness</p>	<p>Increased or sustained public satisfaction</p> <p>Improved performance on key indicators</p> <p>Revised service offer</p> <p>Adopt a place</p>
<p>Enhance Passenger Transport service delivery offer, customer</p>	<p>Review of client and delivery management arrangements and joint vision for way forward</p>

Top Priorities	Measures of Success
experience, coherence of service offer and reduce costs	in terms of service delivery Jointly agreed performance and success measures covering client and delivery measures

Re Commissioning Priorities and Contract KPIs:

Re Annual business plan 2014/15 outlines the commissioning priorities of the council that Re aim to deliver through the joint venture. One commissioning priority relates to the Environment Committee are:

- Highways Service Transformation

Additionally elements of the Re contract deliver Environmental Health, Roads and Traffic Management and Highways strategy.

The full table of KPIs that are dealt with by the Re contract is outlined within section 5.1. Below are relevant KPIs to Environment Committee:

Service Area	Re Key Performance Indicators
Environmental Health	Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests). Total number of cases meeting the target/Total number of cases. Examples of Priority 2's include Health and Safety advice service, smoke free complaints, Public Health hazards.
	Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests) The total number of cases meeting the target/Total number of cases. Priorities 1's are food alerts, infectious disease control, legionella investigations, and fatal accident reports.
	Meeting the Local Authority Pollution Prevention and Control (LAPPC) Part 2a and 2b processes intervention programme (inspection and risk-assessment) (Number of inspections completed/ Number of inspections planned)
	Conducting Food Hygiene Inspections (Number of inspections completed/ Number of due inspections)
	Conducting Food Standards Inspections (Category B) (Number of inspections completed/ Number of due inspections)
	Implementing the Food Sampling Plan (Number of inspections completed/ Number of inspections planned)

Service Area	Re Key Performance Indicators
	<p>Conducting Drinking Water Sampling for private distribution networks only (Number of samples completed/ Total Number of samples required)</p> <p>Implementing the Health & Safety Inspection Programme (percentage completion of programme milestones)</p> <p>Implementing the Animal Welfare Inspection Programme (Number of inspection planned visits completed/Total number of planned visits)</p> <p>Compliance with current Authority or DRS Enforcement Policy in relation to Environmental Health, Trading Standards and Licensing. Audit inspection passed or failed.</p> <p>Increased customer satisfaction by customers of statutory enforcement related cases</p> <p>Improvement in food hygiene in the highest risk premises</p> <p>Safer work places - A higher level of compliance with health and safety legislation in the known most unsafe work places (Number of inspected businesses with health & safety rating or re-rating of B2 and C /Total number of businesses inspected)</p> <p>Service plans, Sampling and Intervention programmes detailed in Schedule 4 to be submitted to the Authority for approval by 1st week of March each year.</p>
Hendon Cemetery and Crematorium	Meeting religious burial request timescales
Highways Network Management	<p>Implementation of the Annual programme relating to Highway Safety Inspections</p> <p>Annual Programme relating to Carriageway Resurfacing schemes (Number completed/Number of planned schemes).</p> <p>Annual Programme relating to Footway Relay schemes (Number completed/Number of planned schemes)</p> <p>Implementation of the Annual Programme relating to other highway improvement schemes</p> <p>Implementation of the Annual programme relating to Highway Condition Assessment</p> <p>Implementation of the Annual programme of weed prevention</p> <p>Implementation of the Annual programme of Gulley Cleansing</p> <p>Implementation of the Annual programme relating to Bridge Inspections</p>

Service Area	Re Key Performance Indicators
	Implementation of the Annual programme relating to Cyclic Bridge Maintenance
	Number of Highways Emergency Defects Rectification completed on time
	Make Safe within 48 hours all intervention level potholes reported by members of the public (Category 1 Defects rectification)
	Number of Highways Category 2 Defects Rectification completed on time
	Highways Insurance Investigations completed on time
	Responses within timescales in dealing with complaints relating to weeds on the public highway
	Responses within timescales in dealing with Highway Licence applications
	Processing of Vehicle Crossover Applications within timescale for providing quotes
	Construction of Vehicle Crossovers within timescales
	Processing of Vehicle Crossover Appeals within timescales
	Responses within timescales to complaints relating to a drainage malfunction and/or flooding event
	Responses within timescales to weather reports/warnings (gritting in winter)
	Timely response to Highways works permit requests (Number of permits answered on time/Number of permit applications received)
	Ensure appropriate conditions are attached to Highways works Permits as per the London Permit Scheme (LoPS) (Total number of permits with appropriate conditions/total number issued)
	Appropriateness of approved and rejected Highways works permits extension requests as per the London Permit Scheme (LoPS) (Total number of appropriate responses/Total number granted and refused)
	Compliance with chargeable inspection regime to quality-check works on highways (New Roads and Street Works Act)
	Levels of passed and failed Highways works inspections - no more than 15% of the challenges to inspections with a "Failed" decision is upheld (based on the New Roads and Street Works

Service Area	Re Key Performance Indicators
	<p>Act - NRSWA) (Total number of challenges upheld/total number of failed inspections)</p> <p>Processing of Section 50 (S50) Highways Works Licences within timescales (as per the Traffic Management Act) (TMA) (Total number of licensing request processed within timescales/total number of licensed requests processed)</p> <p>Ensuring compliance with Section 74 (S74) and issuing sanctions on Highways works that are non-compliant as per the New Roads and Street Works Act (NRSWA) (Total number of S74 inspections carried out/total number S74 required)</p> <p>Number of interventions from the Department for Transport (DfT) or similar agencies regarding Traffic Manager Duties as per the Traffic Management Act (TMA)</p>
Land Charges	Effectiveness of trading standards and licensing department interventions/obtaining compliance
Traffic & Development and Highways Strategy	Delivery of Local Implementation Plan (LIP) documents - in accordance with agreed timeframes to meet Authority decision making requirements and TfL deadlines

3.1 Past Spend and Performance

The quartiles are calculated by dividing the data set into an equal number of authorities in each part of four to identify whether spend is high or low.

Quartile group one is the bottom/lower 25 per cent (a value less than 25 per cent) of the chosen comparison group. Quartile group two is in the range equal to or greater than 25 per cent but less than 50 per cent of the chosen comparison group. Quartile group three is in the range equal to or greater than 50 per cent but less than 75 per cent of the chosen comparison group. Quartile group four is in the top/higher 25 per cent (a value that is equal to or greater than 75 per cent) of the chosen comparison group.

Unitised estimated Spend²

Unitised Spend is calculated using public data (including census information) and Revenue Accounts returns.

Quartiles

Low			High
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	Barnet	London Average
Estimated budget net expenditure – Highways and Roads per km of road (£) (2013-2014)	9001	6098
Estimated budget net expenditure – Waste and Cleansing per household (£) (2013-2014)	156,790	216,022
Estimated budget net expenditure – Public Transport per head (£) (2013-2014)	43	41

Capital Programme (per 1,000 population)

Service Area	Barnet Planned Capital Programme spend (2013/14) (£)	Barnet Capital Programme Spent (2013/14) (£)	London Planned Spend (2013/14) (£)	England Planned Spend (2013/14) (£)	Near neighbours planned spend (2013/14) (£)
Roads (including structural maintenance), street lighting	22.66	24.63	38.81	55.50	42.49

² See Appendix for expenditure lines included
PSR Overview for Environment Committee June 2014

Service Area	Barnet Planned Capital Programme spend (2013/14) (£)	Barnet Capital Programme Spent (2013/14) (£)	London Planned Spend (2013/14) (£)	England Planned Spend (2013/14) (£)	Near neighbours planned spend (2013/14) (£)
and road safety					
Parking of Vehicles (including car parks)	1.16	1.23	1.08	1.85	0.41
Open Spaces	-	0.39	3.89	3.36	3.71
Cemeteries, Cremation and Mortuary	1.86	1.69	1.07	1.07	0.61
Flood Defence and Land Drainage	1.20	-	0.12	0.87	0.23
Regulatory Services (Environmental Health)	2.70	-	0.24	0.45	-
Waste Collection	12.27	30.29	1.31	3.28	0.39

Performance

Bottom London boroughs (excl. City)			Top London boroughs (excl. City)
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Street Cleansing	Barnet	London Average	England Average
Percentage of people who think rubbish or litter lying around is a very big problem in their local area (as a % of all respondents including those who answered 'don't know') - telephone survey (2012-2013)*	12	9	9
Percentage of people who think vandalism, graffiti and other deliberate damage to property or vehicles is a very big problem in their local area (as a % of all respondents including those who answered 'don't know') - telephone survey (2012-2013)*	7	5	5
Percentage of land assessed as having unacceptable levels of litter (quarter 3 2013/14)	7.7	-	-

Percentage of land assessed as having unacceptable levels of detritus (quarter 3 2013/14)	24.5	-	-
Percentage of land assessed as having unacceptable levels of graffiti (quarter 3 2013/14)	2.3	-	-
Percentage of land assessed as having unacceptable levels of fly-posting (quarter 3 2013/14)	0.7	-	-

*Data taken from Resident Perception Survey and only includes other boroughs that used a telephone survey.

<u>Repairs</u>	Barne t	London Average	England Average
Number of Highways Emergency Defects Rectification completed on time (2 hours) (reactive pothole repairs) (Oct 13 – Mar 14)	100% (511)	-	-
Responses within timescales to complaints relating to a drainage malfunction and/or flooding event (Oct 13 – Mar 14)	100% (319)	-	-
Responses within timescales to weather reports/warnings (gritting in winter) (Oct 13 – Mar 14)	100% (13)	-	-
Implementation of the annual programme relating to other highway improvement schemes (Jan 14 – Mar 14)	100% (3)	-	-
Implementation of the Annual programme of Gulley Cleansing (Oct 13-Dec 13)	97% (1997)	-	-
Response times to lighting repairs (Service provider control) (days) 2013/14	1.8	-	-
Response times to lighting repairs (Distribution Network Operators) (days) 2013/14	13.7	-	-
Amount of lights fixed for the year (faults) (2013/14)	13,84 7	-	-

<u>Road Safety and Traffic Management</u>	Barnet	London Average	England Average
Children killed or seriously injured in road traffic accidents(Raw values)(Latest) for Barnet (2010-2012)	7	8	6
Percentage reduction in numbers killed or seriously injured in road traffic accidents (all ages)(Raw values)(Latest) for Barnet	6.1	2.1	2.4

<u>Roads</u>	Barnet	London Average	England Average
Principal roads where maintenance should be considered(Raw values)(Latest) (2012-2013)	9	11	6
Non-principal roads where maintenance should be considered(Raw values)(Latest) (2012-2013)	3	11	8

<u>Waste and recycling</u>	Barne t	London Average	England Average
Percentage of household waste sent for reuse, recycling and composting (2012-2013)	33.03	34.04	41.59
Residual household waste per household (kgs per household) (2012-2013)	670.48	557.45	503.13
Total household waste arising (Tonnes) (2012-2013)	141,828	90,549	63,673

<u>Parking**</u>	Barne t	London Average	England Average
Total Parking PCNs (2012-13)	165,569	4,895,252	-
Total Parking PCNs per 1,000 population (2012-13)***	447	580	-
Parking Appeals received (2012-13)	2,403	55,274	-
Parking Appeals allowed	1,424	26,245	-
Parking Appeals refused	541	29,583	-
Parking Appeals not contested	534	11,538	-

** Data from London Councils statistics

***population based on GLA projections

4.1 Human Resources information

Street Scene provides the delivery of Green Space activities, waste and cleansing services and ownership of the Parking contract. Staff provision is below.

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
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Notes

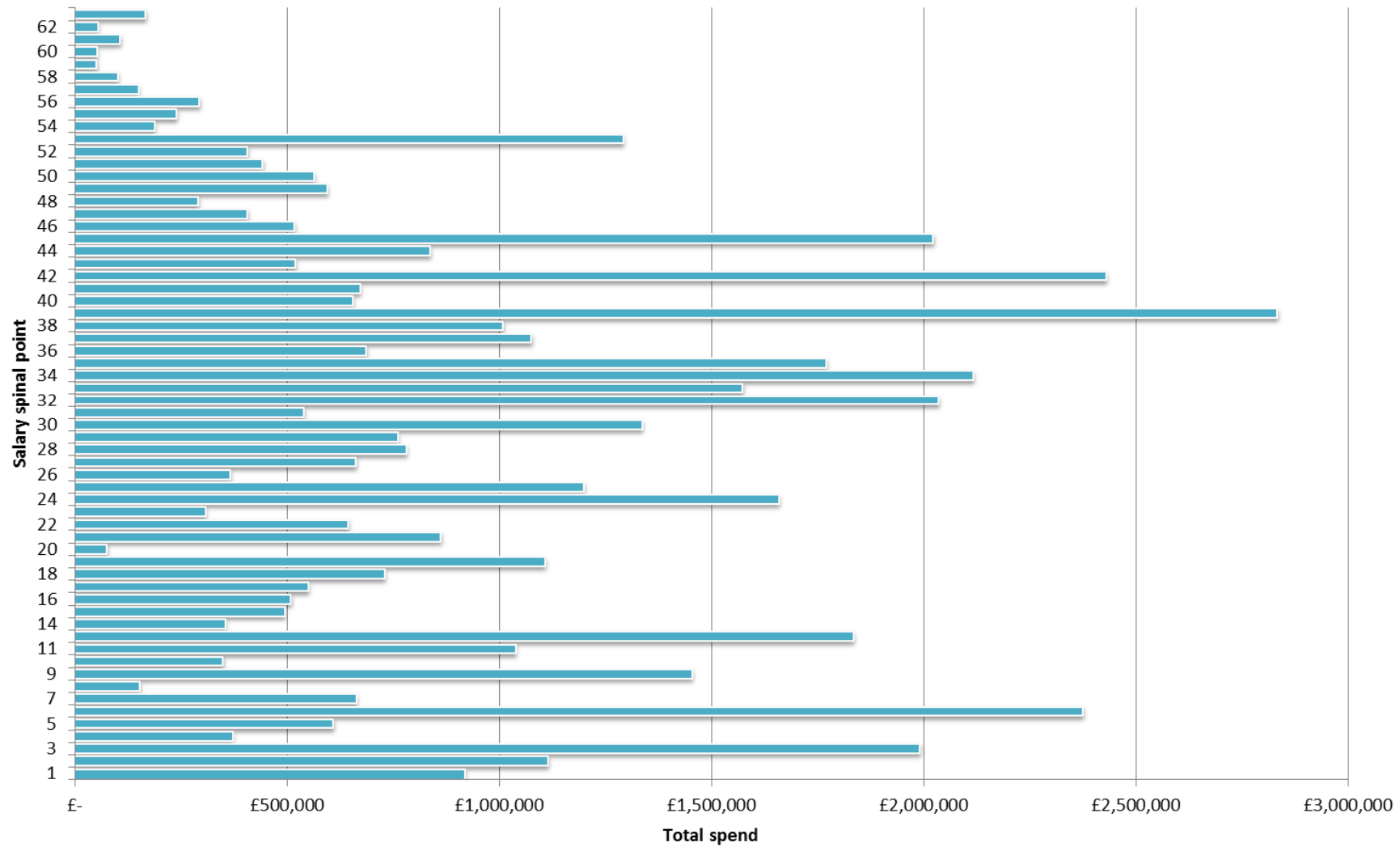
This sheet contains information about employees at 31 May 2014

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

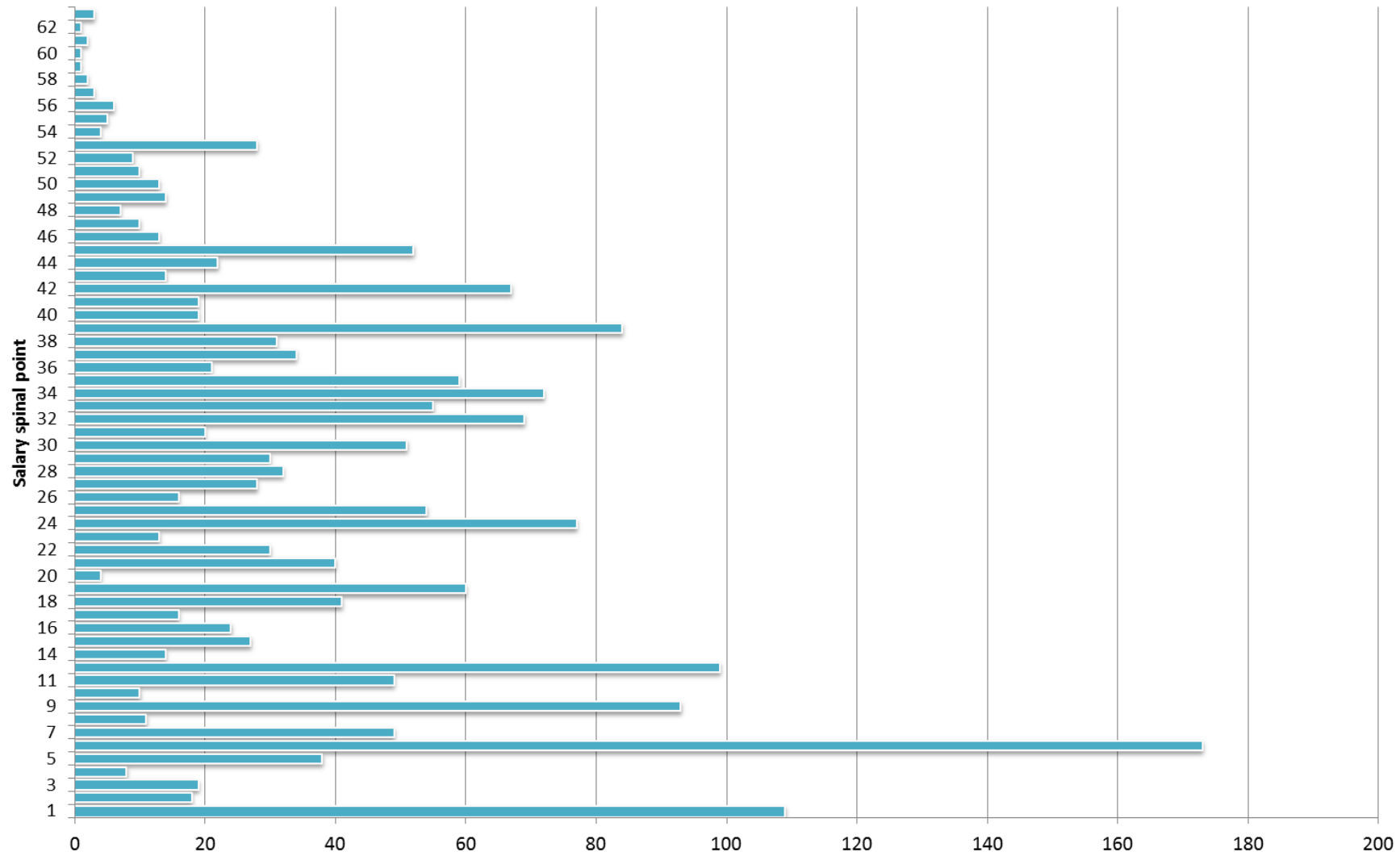
Total Salary column represents the base salary paid (part of annual salary if part time)

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

Salary Spend Distribution



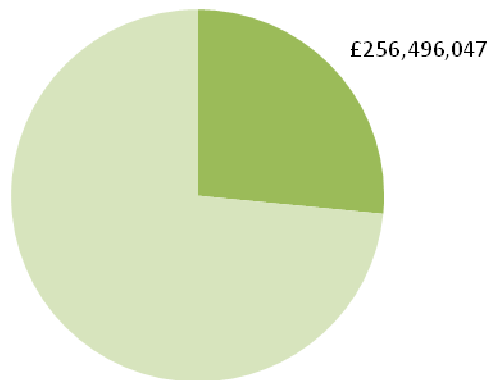
Grade Distribution



The Re contract is responsibility for the delivery of the following services. London Borough of Barnet have agreed £14,365,676 (2014/15) for the services which are subject to variation based on meeting the contract requirements. Human Resources information is the responsibility of Re and beyond the remit of information provided to LBB.

4.2 Contract information (total contract value of current LBB contracts- Over £25k)

Environment



As a proportion of current contract value of LBB contracts – over £25k

5.1 Links to other information

Finance

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

RA cost breakdown

Below is a list of budget lines from Revenue Estimates for 2013/14. [Click here to view RA returns for all Local Authorities.](#)

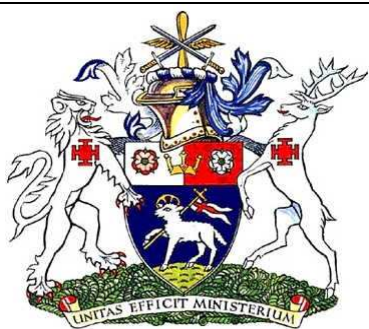
Highways	Public Transport	Waste & Cleansing Services
Transport planning, policy and strategy	Public transport: statutory concessionary fares	Street cleansing (not chargeable to Highways)
Capital charges relating to construction projects	Public transport: discretionary concessionary fares	Waste collection
Structural maintenance	Public transport: support to operators	Waste disposal
Environmental, safety and routine maintenance	Public transport: co-ordination	Trade waste
Winter service	Airports, harbours and toll facilities	Recycling
Street lighting (including energy costs)	Integrated Transport Authority levy	Waste minimisation
Traffic management and road safety: congestion charging		Waste Disposal Authority levy
Traffic management and road safety: road safety education and safe routes (including school crossing patrols)		
Traffic management and road safety: other		
Parking services		

Capital Programme

	Street Scene	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
		£000	£000	£000	£000	£000	£000	£000
EN14	Improvements to six of the Borough's Park	18						18
	Copthall Car Park		100					100
EN20	Old Court House - public toilets	20	20					40
	Parks & Open Spaces and Tree Planting	352	75					427
	Park Infrastructure	360	123	100	100			683
EN65	Waste	10,856	350					11,206
	Cleansing	60						60
	Weekly Collection Support Scheme	1,318	500					1,818
	Autumn/Spring Clean and Equipment	650						650
	Parking Machines	147						147
	Fuel Storage Tank		60					60
		13,782	1,228	100	100			15,209

Useful Policy and Strategic Documents[North London Waste Authority Strategies](#)[Barnet Council Open Space Assessment 2009](#)[Barnet Local Development Framework](#)[Local Implementation Plan](#)[Mayor Strategy: Waste](#)

AGENDA ITEM 6



Environment Committee
12 June 2014

Title	Environment Committee Work Programme
Report of	Pam Wharfe, Strategic Director of Growth and Environment
Wards	All
Status	Public
Enclosures	Appendix A - Committee Work Programme June 2014 to April 2015
Officer Contact Details	Mari Lugangira - Governance Service Officer maria.lugangira@barnet.gov.uk 020 8359 2761

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 Environment 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 N/A

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 Environment 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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**Environment Committee
Work Programme
June 2014 – April 2015**

Contact: Maria Lugangira 020 8359 2761

Subject	Decision requested	Report Of	Contributing Officer(s)
12 June 2014			
Business Planning	<p>To consider a report approved by the Policy & Resources Committee on 10 June 2014 on the process for setting a new Medium Term Financial Strategy (MTFS) to 2020</p> <p>To consider a report from the Strategic Director for Growth and Environment to agree the scope and process for developing savings proposals to meeting the financial targets set out in the Medium Term Financial Strategy as they relate to the Environment Committee</p>	Strategic Director for Growth and Environment	
24 July 2014			
Parking Policy	To approve the draft Parking Policy and approve the commencement of a 12-week consultation period	Strategic Director for Growth and Environment	Housing and Environment Lead Commissioner / Interim Commissioner
Highways Policies	To approve for consultation (12-weeks) the Highways Asset Management Plan and Addendum, Operational Network Management Hierarchy, Developer Design Guide and Network Management Plan	Housing and Environment Lead Commissioner	Highways Mentor DRS (Mark Rees-Williams) / Contract Manager DRS Commercial (Alan Feist)

Subject	Decision requested	Report Of	Contributing Officer(s)
18 November 2014			
Business Planning	To approve five year commissioning priorities, proposals for meeting financial targets set out in the MTFs and proposed Management Agreements	Strategic Director for Growth and Environment	
Parking Policy	To approve the Parking Policy following a period of public consultation	Strategic Director for Growth and Environment	Housing and Environment Lead Commissioner / Interim Commissioner
Road Safety Measures	To consider: i) a six-month update report from Officers on the approved recommendations of the 20 MPH Zones Task and Finish Group ii) an update on other road safety measures	Strategic Director for Growth and Environment / Housing and Environment Lead Commissioner	Highways Manager (Re)
27 January 2015			
Environment, Planning & Regeneration and StreetScene Fees and Charges	To make recommendations to the Policy & Resources Committee on Environment, Planning & Regeneration Fees and Charges for 2015/16	Strategic Director for Growth and Environment	
Parking Pilot Schemes	The Committee to consider a report on the findings arising from the parking pilot schemes in Edgware and High Barnet town centres (<i>Referral from Budget & Performance OSC</i>)	Strategic Director for Growth and Environment / Housing and Environment Lead Commissioner	Highways Manager (Re)

Subject	Decision requested	Report Of	Contributing Officer(s)
10 March 2015			
Management Agreements	To review management agreements for the commissioning and delivery of Environment and Street Scene services	Strategic Director for Growth and Environment	
Commissioning Priorities	To agree commissioning priorities for 2015/16	Strategic Director for Growth and Environment	
28 April 2015			
Parking Policy (Cash Meters) Task and Finish Group	To consider a 12-month update report from Officers on the approved recommendations of the Parking Policy (Cash Meters) Task and Finish Group	Housing and Environment Lead Commissioner	Infrastructure and Parking Manager
20 MPH Zones Task and Finish Group	To consider a 12-month update report from Officers on the approved recommendations of the 20 MPH Zones Task and Finish Group	Housing and Environment Lead Commissioner	Highways Manager (Re)