

	<h2>Children, Education, Libraries and Safeguarding Committee</h2> <h3>17 November 2016</h3>
Title	Business Planning
Report of	Commissioning Director, Children and Young People
Wards	All
Status	Public
Urgent	No
Key	Yes
Enclosures	<p>Appendix A: Vision and Commissioning Priorities of the Children, Education, Libraries and Safeguarding Committee</p> <p>Appendix B: Proposed revenue savings of the Children, Education, Libraries and Safeguarding Committee 2017/18 to 2019/20</p>
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Summary

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

Theme Committees are asked to confirm delivery of savings against plans agreed at the March 2016 Council meeting. The overall targets for Theme Committees remains the same and any proposals that are either not achievable or will not deliver on their original Estimate will need to be supplemented by bringing forward new proposals to meet the gap.

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

The Committee is asked to agree the vision and commissioning priorities for 2017/18, which will form the basis of the Commissioning Plan, to be brought to Committee in March 2017.

Recommendations

- 1. That the Committee agree the Vision and Commissioning Priorities as set out in Appendix A.**
- 2. That the Committee recommend the savings programme as set out in Appendix B to the Policy and Resources Committee.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The past five years have been challenging for all local authorities; the combination of reduced public spending and increasing demand meant that Barnet needed to save £75 million between 2011 and 2015, just over a quarter of its budget. As far as possible, the council sought to meet this challenge through savings to the 'back office' to protect our front-line services. During this time of significant challenge, the council has seen levels of resident satisfaction remain high both in terms of satisfaction with the council as well as with a range of local services. The latest Residents' Perception Survey indicates that 89 per cent of residents are satisfied with Barnet as a place to live and 77 per cent feeling that the council is doing a good job.
- 1.2 With financial pressure on the council set to continue, the next four years will continue to present challenges however, there will also be some significant opportunities. Savings plans to close the £80.1 million gap (2016-20) were agreed by Full Council in March 2016, with £5 million to be funded by reserves in 2019/20. Funding savings from reserves is not sustainable in the long term, however, the chief financial officer recognises that the council tax base beyond 2020 is expected to increase, based on projected council tax receipts from new housing in the west of the borough and therefore the use of reserves is projected to be necessary for one year only.

- 1.3 However, in spite of these challenges, there are significant opportunities for Barnet, with a focus on protecting vital services by managing demand and directing resource to those most in need. Successful demand management relies on an understanding of the types of demand that are arising, and how we can re-profile this demand to deliver positive outcomes. Many of our service transformation programmes have demand management at their core to ensure that this objective is met. There is also an increased focus on building community resilience; helping residents to help themselves so that they are equipped to do more for their communities and become less dependent on statutory services.
- 1.4 As funding from central Government reduces to zero, the council will need to generate its income through local and regional sources of funding – Council Tax, Business Rates, fees and charges, and the commercialisation of some services where appropriate. Whilst challenging, this also provides all authorities with an opportunity as the further devolution of funding means that increasingly, councils will become masters of their own destinies. The council is also placing an increased focus on investment in infrastructure and is continuing with its ambitious regeneration plans, which will create over 20,000 new homes and 30,000 new jobs in the borough. Our regeneration programme will also generate more than £11m in recurrent income by 2025 and £50m in one off income by 2020, which is to be invested in the borough's infrastructure.
- 1.5 Theme Committees are asked to confirm delivery of savings against plans agreed at the March 2016 Council meeting. The overall targets for Theme Committees remains the same and any proposals that are not either unachievable or will not deliver on their original estimate will need to be supplemented by bringing forward new proposals to meet the gap.

1.6 STRATEGIC DIRECTION

- 1.6.1 The vision, set out in the Children and Young People's Plan, is to make Barnet the most Family Friendly Borough in London by 2020, through a resilience based approach. In a 'Family Friendly' Barnet, children and families are able to:
- keep themselves safe
 - achieve their best
 - be active and healthy
 - have their say and be active citizens
- 1.6.2 Barnet is now forecast to have the largest number of children of any London Borough by 2020. In general, children and young people in Barnet do well and have good health outcomes; access to good and outstanding schools; good education performance; achieve well across all key stages of education; and have low rates of offending.
- 1.6.3 However, there is a need to ensure that all children achieve good outcomes and there continues to be a group of children, young people and families in the borough for whom this is not the case. We have seen demand for

specialist services increase over the last 12 months, for example, to support children at risk of sexual exploitation, neglect or gang-related activity.

- 1.6.4 We will focus resources around these families' needs, and wherever possible work with families to build their resilience and stop problems escalating. We need, either directly or through partnerships, to deliver effective, safe and high quality services that continue to meet the needs of children and young people within the borough. At the same time, the challenging financial climate in which we are operating requires a focus on ensuring that all resources are deployed effectively to deliver the key outcomes and priorities for the Committee.
- 1.6.5 The proposed vision and commissioning priorities for the Children, Education, Libraries and Safeguarding Committee are attached at Appendix A. This will form the basis of the Children, Education, Libraries and Safeguarding Commissioning Plan which will come to Committee in March 2017. Appendix B details the revenue savings proposed for the Children, Education, Libraries and Safeguarding Committee through to 2019/20.

1.7 REVENUE SAVINGS FOR 2017/18

- 1.7.1 The challenging financial climate in which we are operating requires a focus on ensuring that all resources are deployed effectively to deliver the key outcomes and priorities for the Committee. Appendix B details the revenue savings proposed for the Children, Education, Libraries and Safeguarding Committee through to 2019/20. The following paragraphs describe in more detail revenue saving proposals for 2017/18.
- 1.7.2 **Contract Management:** Each year the Council provides monies to address inflationary pressures in commissioned services. This saving consists of containing inflation on contracts and improved contract management and negotiation of better rates across a range of contracts. It is an efficiency saving, not a change in the way services are delivered and so it is not anticipated to have an impact on service delivery, customer satisfaction or equalities. However, risk remains that it will not be possible to contain inflation to the extent envisaged.
- 1.7.3 **Placements for children with special educational needs:** These savings will be delivered through the appropriate allocation of education costs for joint placements for children under the age of 18. This proposal is not expected to impact on service delivery.
- 1.7.4 **Continuing care:** The council will ensure that all eligible children with disabilities and other limiting conditions are receiving continuing care funding from the NHS to better meet their health and care needs. This proposal is not expected to impact on service delivery.
- 1.7.5 **Early years:** These savings will be delivered through using the public health grant to fund service levels above the statutory minimum (£1.5m), intervening early before needs escalate. This proposal is not

expected to impact on service delivery. The further savings in 17/18 will be delivered through a reorganisation of the central early years functions, which is also not expected to impact on service delivery.

1.7.6 Libraries: The savings will be delivered through implementing the library strategy, which was agreed by Council in April 2016. The strategy maintains all 14 library sites whilst delivering savings. This will be achieved through reducing the size of the library area to release space for commercial letting, reducing the number of staffed hours at each site whilst increasing the overall number of opening hours through the use of technology. The timetable for delivering the reconfigured library space at each site and the new technology by the 1st April 2017 is challenging.

1.7.7 Child and Adolescent Mental Health Service: This saving was delivered in 16/17 through a contract negotiation. This has not impacted on service delivery. Work is currently being undertaken with the Clinical Commissioning group to jointly remodel children's mental health and well-being services in order to re-commission a service that is based on resilience, prevention and embedded within the community.

1.7.8 Education and Skills: Cambridge Education are contracted to deliver savings as part of its new partnership with the council to provide education support services. The aims of the partnership are to maintain an excellent education offer, an excellent relationship with schools whilst achieving the budget savings required. The savings will be delivered through a programme of efficiencies and by increasing the trading of services with schools and other local authorities.

1.8 PLANNING FOR FUTURE YEARS SAVINGS 2018/19 to 2019/20

1.8.1 Whilst the focus is on delivering the year on year savings, planning for further savings from 2018/19 is also underway and the key areas of activity are set out below:

1.8.2 Development of a new model of social work practice and intervention to reduce the need for high cost placements and reduce the number of adolescents in our care, especially in residential provision. To successfully improve outcomes for our children and families we need to work with them to build their resilience. There is a need for even more purposeful social work practice by professionals with the skills, the practice model and the autonomy to achieve the best for our children. Building on the existing strength of the workforce, the Council will work with social workers and other children's services professional to continue to embed tools to support our model of resilience based practice like Signs of Safety and Family Group Conferences. This in turn impacts on the levels of demand into the service and seeks to result in cost efficiencies.

1.8.3 Developing new ways to increase the sustainability of services within available resources: The Council will work closely with its staff and explore

the opportunities for and support required for the development of a children's services led, non-for-profit organisation to provide our services for children and young people. This will include all our early years, youth, preventative and social care services. At the core of this proposal is the need to explore with our staff the best ways to enable them to do their jobs effectively, considering, with them, an organisational form that places outstanding practice in children's service at the centre, and that appropriately integrates provision around the needs of the child.

- 1.8.4 **Further reshaping of early intervention and prevention services** to provide effective, targeted interventions which reduce the need for higher cost interventions: The Council will also consider the future strategies for the delivery of Early Years and Youth Services to ensure that they are focussed to deliver critical targeted services that build resilience. The further review of Early Years will consider the changing landscape in early years with the development of additional 2 year old provision and proposed increased hours in provision available to working parents of 3 and 4 year olds.

2 REASONS FOR RECOMMENDATIONS

- 2.1 This report and appendices set out the vision and priorities of the Children, Education, Libraries and Safeguarding Committee and proposals for how the Children, Education, Libraries and Safeguarding Committee will achieve the revenue savings to deliver target savings confirmed by the Council's Policy and Resources Committee on 28 June 2016.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The alternative approach is not to approve the savings programme. This, however, is not considered good practice and may expose the Council to the risk of not achieving its savings targets.

4 POST DECISION IMPLEMENTATION

- 3.1 The savings proposals will be considered by the Policy and Resources Committee on 1 December 2016 and will form part of the delivery of the Council's Medium Term Financial Strategy.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan for 2015-20 sets the vision and strategy for the next five years based on the core principles of **fairness, responsibility and opportunity**, to make sure Barnet is a place:
- Of opportunity, where people can further their quality of life
 - Where people are helped to help themselves, recognising that prevention is better than cure
 - Where responsibility is shared, fairly
 - Where services are delivered efficiently to get value for money for the

taxpayer.

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

- 5.2.1 The present budget for Family Services is projecting a £0.507m overspend as at the end of quarter 2, which represents 1.0 per cent of the total Delivery Unit budget (£50.550m). This is primarily due to the number of agency staff covering vacant posts and pressure on the unaccompanied asylum seeking children budget. The delivery unit has been working with Capita to reduce the level of agency staff.
- 5.2.2 The total revenue saving proposed between 2017/18 and 2019/20 is £11.9 million (Appendix B). Some of the proposals set out in Appendix A for 2017/18 and beyond are challenging to deliver and are dependent on a range of factors, many of which are external to the service. The achievement of savings predicated on reducing demand through improved preventative work and social work practice should led to better outcomes for children and young people. However the relationship between early intervention/prevention and reduced demand on social care is not always linear and is subject to a range of both controllable and uncontrollable variables. The Council must at all times ensure the robust and effective safeguarding of children and young people and there is a risk that the savings may not be deliverable or may be delayed due to uncontrollable factors.

5.3 Social Value

- 5.3.1 In taking forward the proposals due regard will be paid to the Social Value Act. The Social Value Act will be a useful tool in ensuring that our activities are embedded in prevention and early intervention. We will seek to look for added value providers can bring in delivering our services such as where apprenticeships are provided.
- 5.3.2 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.4 Legal and Constitutional References

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

- 5.4.2 The Committee is approving these proposals for referral to the Policy and Resources Committee. These proposals will then be referred to Council so that Council can approve the budget envelope and set the Council Tax. There will be contingencies within the budget envelope so that decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.
- 5.4.3 Responsibility for Functions, Annex A, of the council's constitution sets out the terms of reference for the Children's, Education, Libraries and Safeguarding (CELS) Committee.

The responsibilities of the CELS Committee:

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

<http://barnet.moderngov.co.uk/documents/s18093/15aResponsibilityforFunctionsAnnexA.doc.pdf>

5.5 Risk Management

- 5.5.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. Risk management information is reported quarterly to the council's internal officer Delivery Board and to the relevant council committees and is reflected, as appropriate, throughout the annual business planning process.
- 5.5.2 Risks associated with each individual saving proposal will be outlined within the individual Committee report as each proposal is brought forward for the relevant Committee to consider.

5.6 Equalities and Diversity

- 5.6.1 Equality and diversity issues are a mandatory consideration in the decision-making of the council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.
- 5.6.2 The public sector equality duty is set out in s149 of the Equality Act 2010: A public authority must, in the exercise of its functions, have due regard to the need to:
- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and

- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

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

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

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

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

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

5.6.3 As individual proposals are brought forward for consideration by the CELS Committee, each will be accompanied by an assessment of the equalities considerations, setting out any potential impact of the proposal and mitigating action. The equalities impact of all other proposals will be reviewed as proposals develop and will inform the final consideration of the savings proposals by the Policy and Resources Committee on 23rd February 2017. The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

5.6.4 Where there are changes, it is inevitable that there is likely to be an impact on individuals in different ways. However at each stage of the process, the council will conduct full EIA to ensure that where some current and future clients are impacted, proper measures are considered to minimise the effect as far as possible. Those affected by any changes resulting from any of the proposals will be fully engaged.

5.6.5 The revenue savings sheet shown as Appendix A currently indicates an initial assessment that there is not likely to be an impact on service delivery of new proposals for 2017/18. (Where savings in 2017/18 are part of a longer term programme that has already been approved, such as the savings arising from the new library strategy, the equality impact implications have been considered as part of the decision making process already completed.) As the full impact of new changes is understood, each initiative will undertake to work with those affected and consider options available to them to help mitigate any adverse impact. Where necessary, new proposals will not be implemented or agreed until members have fully considered the equality impacts and responses to any consultation.

5.6.6 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.

5.7 Consultation and Engagement

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

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

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

- comments are genuinely invited at the formative stage;
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;
- there is adequate time given to the consultees to consider the proposals;
- there is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;

- the degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and;
- The consultation is clear on the reasons why extent to which alternatives and discarded options have been discarded. are required to be consulted on.

5.7.3 Public consultation on the overall budget for 2017/18 will commence on 5th December 2016 following the Policy and Resources Committee on 1st December 2016 before the final savings are recommended to Council on the 7th March 2017.

5.7.4 The public consultation will give residents an opportunity to comment on the 2017/18 overall budget and CELS Committee individual proposals to deliver the 2017/18 savings identified in this report, before final decisions are formalised in the council's annual budget.

5.7.5 In terms of service specific consultations, the council has a duty to consult with residents and service users in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties.

5.7.6 Where appropriate, separate service specific consultations have already taken place for the 2017/18 savings, for example, in relation to the savings arising from the new library strategy.

6 BACKGROUND PAPERS

Children, Education, Libraries and Safeguarding Committee, 18th November 2015
Agenda item 8: Annual Business Planning

<http://barnet.moderngov.co.uk/documents/s27441/Annual%20Business%20Planning.pdf>

Council, 8th December 2015
Agenda item 18: Referrals from Children, Education, Libraries and Safeguarding Committee: Education and Skills- Future Delivery of Services (Exempt)

Children, Education, Libraries and Safeguarding Committee, 4th April 2016
Agenda item 12.4: Barnet's Future Library Service
<https://barnet.moderngov.co.uk/documents/s31102/Report%20to%20Council%20-%20CELS.pdf>