

	<p style="text-align: center;">Policy and Resources Committee</p> <p style="text-align: center;">23 February 2017</p>
<p style="text-align: right;">Title</p>	<p>Business Planning 2017-2020</p>
<p style="text-align: right;">Report of</p>	<p>Chief Executive and Section 151 Officer Interim Chief Operating Officer Director of Resources</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A – Medium Term Financial Strategy Appendix B1 – Detailed Revenue Budgets, Savings, Pressures and Council Tax Schedules Appendix B2 – Theme Committee Revenue Budgets, Savings and Pressures Appendix C1 – Theme Committee Capital programme Appendix C2 – Capital Programme by Delivery Unit Appendix C3 – Capital Programme Adjustments Appendix D – Housing Revenue Account Appendix E – Dedicated Schools Grant Appendix F1 – Fees and Charges for noting Appendix F2 – Fees and Charges for approval Appendix G – Consultation report Appendix H – Cumulative Equalities Impact Analysis (CEIA) Appendix I – Treasury Management Strategy Appendix J – Transformation Programme Appendix K – Reserves and Balances Policy Appendix L1 – Debt Management Policy Appendix L2 – Write Offs Appendix M – Corporate Risk Register Appendix N – Corporate Plan Addendum</p>

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Summary
<p>On 15 December 2016, Department for Communities and Local Government (CLG) published the provisional local government finance settlement which set out the individual authority grant allocations. Consultation around the budget proposals ran from 5 December 2016 to 19 January 2017 and the results of that are analysed and presented in this report. This report proposes a balanced budget for agreement based on a revised Medium Term Financial Strategy (MTFS); in line with the DCLG publication and consultation results.</p> <p>The report sets out the savings proposals and capital programme for the period 2017-20 and Council Tax for 2017/18.</p>

Recommendations
<p>The report recommends that the Committee:</p> <p>1.1 Consider the issues that have emerged from the consultation when making their decisions. That the committee are also mindful of the equalities impact assessments, including the cumulative equalities impact assessments, when making the decision below;</p> <p>1.2 Recommend to Council for approval the MTFS attached as Appendix A and the detailed revenue budgets in Appendices B1 and B2. The MTFS sets out all of the budget changes over the period 2017-20, including assumptions around inflation, changes to levies, pressures, savings and grant funding. It is the model around which the council's financial strategy is based. Taking the consultation responses and the equality impact assessments into consideration;</p> <p>1.3 Recommend to Council that the budget for 2017/18 is prepared on the basis of no increase to council tax in 2017/18, other than for the increase set out below in 1.4;</p> <p>1.4 Recommend to Council applying a social care precept at 3% in 2017/18 – to help fund care for the elderly;</p> <p>1.5 Note that the Chief Finance Officer, under their delegated powers in accordance with para 4.3.2 of the Financial Regulations, has calculated 139,049 (band D equivalents) as the amount for the Council Tax base for the year 2017/18 [item T in the formula in Section 31B (1) of the Local Government Finance Act 1992, as amended (the “Act”)];</p> <p>1.6 Recommend to Council for approval, the following amounts calculated for the year 2017/18 in accordance with Sections 31(A) and (B), 34, 35 and 36 of the</p>

Act:

- a) £1,042,180,636 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;
- b) £881,620,756 being the aggregate of the amounts which the council estimated for the items set out in Section 31A(3) (a) to (d) of the Act;
- c) £160,559,880 being the amount by which the aggregate at 1.6(a) above exceeds the aggregate at 1.6(b) above, calculated by the council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula section 31A(4) of the Act);
- d) £1,154.70 being the amount at 1.6(c) above (item R), divided by Item T (Item 1.5 above), calculated by the council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year;

London Borough of Barnet Valuation Bands (£)

A	B	C	D	E	F	G	H
769.80	898.10	1,026.40	1,154.70	1,411.30	1,667.90	1,924.50	2,309.40

Being the amounts given by multiplying the amounts at 1.6(d) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in valuation band D, calculated by the council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- 1.7 Recommend to Council, on the advice of the Chief Finance Officer, that it determines that the council's basic amount of Council Tax for 2017/18 as set out in 1.6(d) above is not excessive in accordance with the principles approved under section 52ZB and 52ZC of the Local Government Finance Act 1992, set out in the Referendums Relating to Council Tax Increases (Principles)(England) Report 2017/18 - subject to any changes to that Report; which at the time of publication of this report was still in draft;

- 1.8 Note that for the year 2017/18 the Greater London Authority has provisionally indicated that the following amounts in precepts will be issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Greater London Authority Valuation Bands (£)

A	B	C	D	E	F	G	H
186.68	217.79	248.91	280.02	342.25	404.47	466.70	560.04

- 1.9 Recommend that having calculated the aggregate in each case of the amounts at 1.6(d) with the amounts at 1.8, the council, in accordance with Section 30(2) of the Local Government Finance Act 1992, sets the following amounts as the amounts of Council Tax for the year 2017/18 for each of the categories dwellings shown below:

Council Tax for Area (£)

A	B	C	D	E	F	G	H
956.48	1,115.89	1,275.31	1,434.72	1,753.55	2,072.37	2,391.20	2,869.44

1.10	Recommend to Council for approval the Barnet Council Tax Support Scheme, adopted in January 2015, remain unchanged except for uprating in line with Department for Work and Pension changes for housing benefit (see 1.11 below).
1.11	Notes that the working age non-dependent (ND) charges be uprated as set out in paragraph 1.7.13
1.12	Recommend to Council that in accordance with Section 38(2) of the Act the Chief Executive be instructed to place a notice in the local press of the amounts set under recommendation 1.9 above within a period of 21 days following the Council's decision;
1.13	Recommend to Council for approval the capital programme as set out in Appendix C1 and C2, and the capital budget changes as set out in Appendix C3 and that the Chief Officers be authorised to take all necessary actions for implementation;
1.14	Recommend to Council that the Chief Finance Officer be authorised to adjust capital project budgets and financing in 2017/18 throughout the capital programme after the 2016/17 accounts are closed and the amount of slippage and budget carry forward required are known;
1.15	Recommend to Council the approval of the Treasury Management Strategy for 2017/18 as set out in Appendix I;
1.16	Approve the following in relation to the Housing Revenue Account: <ul style="list-style-type: none"> a) The proposed rent decrease by 1% for council dwelling as set out in paragraph 1.10.3 to take effect from 1 April 2017; b) The proposed increase to service charges for council dwelling as set out in paragraph 1.10.9 to take effect from 1 April 2017; and c) The proposed rent increase of 2.2% for council garages as set out in paragraph 1.10.9 to take effect from 1 April 2017.
1.17	Approve the Housing Revenue Account estimates for 2017/18 as set out in Appendix D;
1.18	Note the submission of the Authority Proforma Tool in relation to the Dedicated Schools Budget as set out in Appendix E;
1.19	Approve the fees and charges for hire of Hendon Town Hall as detailed in Appendix F2 and note the Adult's, Children's and Environment fees and charges that were approved at their relevant Theme Committee as detailed in Appendix F1;
1.20	Note the summary equality impact assessment (EIA) and cumulative assessment set out in section 5.6. Appendix H provides the cumulative impact and individual Delivery Unit assessments where significant changes to service delivery are proposed;
1.21	Recommend to Council approval of the reserves and balances policy as set out in Appendix K and indicative amounts as set out in para 1.12 and the Chief

Finance Officer's assessment of adequacy of reserves in section 1.12. The Committee recommend to Council that the CFO be authorised to adjust balances in 2017/18 after 2016/17 accounts are closed and the amount of balances carry forward required are known;

- 1.22 Approve revenue budget movements as set out in para 1.14;**
- 1.23 Note the progress of the transformation programme as detailed in Appendix J;**
- 1.24 Recommend to Council to approve the debt write offs as detailed in Appendix L and summarised in para 1.14.11;**
- 1.25 Note the corporate risk register and recommend it to Council as set out in Appendix M; and**
- 1.26 Recommend to Council for approval the Corporate Plan – 2017/18 addendum attached as Appendix N.**

1. WHY THIS REPORT IS NEEDED

1.1 Executive Summary

- 1.1.1** Business planning and strategic management enable the council to plan its future direction on the basis of the best strategic fit between the resources available to meet stakeholder needs and expectations and the environmental conditions which prevail. This report sets out how the council intends to do this and the assumptions it has made.
- 1.1.2** On 23 November 2016, the Chancellor of the Exchequer set out the Autumn Statement 2016. The Autumn Statement is based on the latest forecasts from the Office for Budget Responsibility (OBR) for the economy and public finances. On 15 December 2016, the Provisional Local Government Finance Settlement 2017/18 was announced by Department for Communities and Local Government (CLG).
- 1.1.3** In March 2016 the Council agreed plans to achieve reductions of £61.5m for the period 2017 to 2020. This included savings of £56.5m and a commitment to support the budget in 2019 with £5m from reserves.
- 1.1.4** Policy and Resources committee received a report in December 2016, which revised the MTFS and identified that Theme Committees had confirmed savings of £53.3m, use of reserves of £9m (up to 2020), leaving a gap of £3.2m, of which £2.9m would fall in 2017/18.
- 1.1.5** This report sets out the savings proposals and use of reserves, revised by Theme Committees, in line with commissioning priorities, to close this budget gap. It also sets out consultation responses, equality impact assessments and capital investment proposals that are required to ensure Barnet is able to support the growth needed.

1.2 Strategic Context

- 1.2.1 The past six years has been a period of significant challenge for local authorities due to a combination of reduced funding and increasing demand. Barnet has risen to this challenge, having successfully saved over £112m between 2011 and 2016, whilst maintaining high levels of resident satisfaction. The latest Residents' Perception Survey indicates that 89% of residents are satisfied with their local area as a place to live and over 75% feel that the council is doing a good job. With financial pressure on the council set to continue, the next five years and beyond will present further challenges. However, this is also a time of significant opportunity.

Delivering quality services

- 1.2.2 Over the next financial year the council has ambitious plans and will strive to ensure that, despite the challenges, quality local services are provided. This means making sure we get the basics right, and focussing on those services that matter the most to our residents; keeping our neighbourhoods and town centres clean and safe; maintaining our parks and open spaces; ensuring that our roads and pavements are well looked after and that we are reaching the highest possible standards of air quality. To support this, we are taking a strong enforcement approach against those who litter and fly-tip, including businesses who do not dispose of their waste responsibly. We will ensure that developers pay for any damage that they cause to our roads and pavements through a deposit scheme for those erecting hoardings, and recording the highway condition before and after development. We are also developing a borough-wide Transport Strategy that will outline an approach to supporting sustainable travel, encouraging the use of electric vehicles and car clubs and using fees and charges based on environmental impact to help improve air quality.
- 1.2.3 Doorstep recycling and waste collection remain our highest rated services in terms of resident satisfaction, with 73% and 77% rating these services excellent or good respectively. We will continue to work in line with our new Recycling and Waste Strategy to ensure that we provide the best possible service to our residents whilst also promoting waste minimisation and increasing recycling, especially food recycling. We aim to meet the target set by the Strategy to recycling 50% of municipal waste by 2020.
- 1.2.4 We will provide easy access to information, advice and services and improve our green spaces to support our residents to stay happy, healthy, independent, and enjoy a good quality of life. Alongside this, we will put in place additional support for our most vulnerable residents. This means we will encourage all those who are able to participate in the community, be in work or education, and to look after the physical and mental well-being of themselves and their family. A key focus of this will be to make Barnet the most family friendly place to live in London. We will work with partners to make sure our children, young people and their families are safe, healthy, resilient and knowledgeable, as well as responsible, informed and listened to.

Responsible growth, regeneration, and investment

- 1.2.5 Despite the increasing pressure on resources, a key part of Barnet's strategy, while we continue to reduce day to day spending, is to invest in the borough's critical infrastructure over the coming years to ensure that Barnet remains a great place to live, work, and study. We are doing this by investing the proceeds of growth, from developers and external funding, into essential infrastructure for all residents. Whilst improving the built environment, we will also ensure that we protect what matters to our residents, such as the character of the borough, our parks and green spaces and our excellent schools.
- 1.2.6 Growth is a key part of supporting the council in the future as funding from central government reduces and the council increasingly has to raise its income locally through Council Tax, business rates, and some fees and charges. Our capital investment programme – which totals £834 million to 2020 – is in place to ensure the future sustainability of the council through laying the foundation for generating future income locally and using the proceeds of growth to invest in further infrastructure in the borough.
- 1.2.7 The council's regeneration programme will see £6bn of private sector investment over the next 25 years, which will create around 20,000 new homes and up to 30,000 new jobs. The Treasury has made financial commitments to support our regeneration plans at Grahame Park which is part of the wider Colindale regeneration scheme, and Brent Cross Cricklewood, including £97m to fund a new Thameslink station which will link the new shopping centre to central London. The council has also invested almost £20m in highway improvements in Colindale and West Hendon to support the wider regeneration in these areas, as well as an additional £2m that is being invested in highways improvements across the borough.
- 1.2.8 The council is investing £1.5m in building new community hubs, including the Childs Hill Library and Community Hub, putting more local services under one roof to bring people together and better equip residents to help themselves. We are also investing, in 2018/19, over £3.7m in early education and childcare places to ensure that each child is able to get the best start in life. This is in addition to the £3.2m that has been invested as part of the existing capital programme.
- 1.2.9 The council is committed to keeping all libraries open and is investing significantly to ensure that they are technology enabled to enhance the number of hours that residents can access the service.
- 1.2.10 Alongside the creation of jobs that will come through our regeneration scheme, the council is also working with partners to ensure the right support is in place to allow our residents to access these opportunities. Barnet is currently trialling a number of programmes that aim to get our residents better equipped to find sustainable work, including 'Opportunities for Young People' which aims to cut the number of NEETs by half through targeting at risk Year 8 students, and the 'Skills Escalator' which supports working people on low incomes to obtain higher paid work to reduce their dependency on benefits.

Building resilience in residents and managing demand for our services

- 1.2.11 The £61.5m revenue budget gap to 2020 is not simply due to continued reductions in Government funding; changing demographics, a growing population, and a rising cost of living are placing an increased demand on the public services we offer. This challenge is going to intensify over the years ahead as London and Barnet continue to grow.
- 1.2.12 A core part of our strategy is ensuring that services across the council are designed to reduce demand so that our resources can be targeted at those most in need, while delivering better outcomes for residents. This includes investing in early intervention and prevention – treating the cause rather than the symptom of an issue and stepping in before a critical stage is reached – reducing failure demand through ensuring that our processes are working as effectively and efficiently as possible, and promoting independence in the community to avoid reliance on statutory services.
- 1.2.13 Barnet currently has the largest population of any London borough (376,065) and this is expected to continue increasing. Barnet has the second largest population of children and young people in London and a 0 – 15 population significantly higher than the UK's as a whole. Demand in Children's Social Care had been increasing over the years as the number of vulnerable children in the borough increases, with a 10% increase in referrals to social care over the past two years. A resilience based strategy is being implemented across Children's Services which focuses on strengths of families and the opportunities available to them. By intervening early in this way, we are also able to reduce the demand into higher cost services, such as residential care, by addressing and responding to issues as they arise rather than waiting until they reach a critical stage.
- 1.2.14 Barnet is also an ageing borough with a higher 85+ population than other outer London boroughs and the rest of the UK, adding further pressure to Adult Social Care services. To reduce the ongoing and increasing cost of social care, Barnet Homes is investing in two additional sites for Extra Care schemes to support independence and allow people to stay in their own homes as long as possible through purpose built supported living sites. To help people to become more resilient, Adult Social Care has adopted a strengths-based approach which focuses on the strengths of individuals and how they will be able to achieve the outcomes they desire. To support this approach, two Care Space 'hubs' have been set up in community settings as a different space for people to have strengths-based conversations with a social care practitioner. This has helped people to better manage their own health and social care needs by using community resources. Feedback collated from these trials shows high levels of client satisfaction.
- 1.2.15 Another example of how we are working to manage demand is our digital by default agenda which is a key part of the Customer Access Strategy, aiming to move towards 80% of contact with the council being online or via other digital means by 2020. This is more flexible for our customers and reduces the resource required to deal with transactions, whilst still supporting those who are digitally excluded and directing resources to those who require more targeted support.

Transforming local services

- 1.2.16 For all of our services, we are considering the case for delivering differently in order to meet our priority outcomes. In Adult Social Care this has meant the move to a 'prevention and early support at scale' vision. We are working with other parts of the public sector to achieve this through more joined up services that will deliver better outcomes for residents, as well as costing less by working together more efficiently. An example of this is the Barnet Integrated Locality Team (BILT) which works across the borough to provide community based support to service users and patients who are at risk of an unplanned accident and emergency attendance or unplanned admission into an acute setting within the next 12 months. This integrated health and social care approach helps vulnerable adults to stay well and living in their own home, easing demand for costly residential care and reducing pressure on the NHS.
- 1.2.17 A further example of service transformation is changing the way we work with local partners. The Burnt Oak Opportunities Support Team (BOOST) is a two-year project that puts all relevant services – Barnet Homes, Love Burnt Oak, Future Path, and Barnet Council – in one place to help those in the Burnt Oak area develop new skills and overcome any obstacles to employment. This allows targeted support and aims to support people into work as well as improving the wellbeing of those who have been helped. Burnt Oak is one of our most deprived wards with high levels of unemployment, and since its launch in June 2015, the BOOST team has supported nearly 200 people into work.
- 1.2.18 The council is transforming the way it works to help staff do their jobs more effectively and make the organisation more accessible to those who use its services, whilst also reducing the amount spent on accommodation. The office move to Colindale is a key part of our smarter working approach and will support the ongoing regeneration in the west of the borough as well as bringing us closer to the community.

Promoting engagement, facilitating independence, and building community capacity

- 1.2.19 As the council has to do less over the next few years due to reduced funding, we will work with communities to help them take on more responsibility for their local areas. The council will play a facilitating role in empowering and equipping communities to do more for themselves to reduce dependency on statutory services. Where appropriate, this also includes working with the community to tailor services to their needs; engaging the community in the design and delivery of our services will ensure that they are matched to local need and more successful in reaching the desired outcomes.
- 1.2.20 Community capacity refers to the community's ability and willingness to carry out civic responsibilities. To support community capacity building, the council's Community Participation Strategy aims to build stronger partnerships between the council and the community, coordinate and improve the support

the council can give to communities, and take more account of community activity when making decisions about delivering the borough's priorities. The strategy has several work streams to help meet these aims, for example, developing a comprehensive database of voluntary, community, and faith sector organisations so residents can find local support.

- 1.2.21 We are committed to fair treatment for all our citizens, balancing their different needs and rights as we support our more vulnerable residents and incorporate the principles of equality into everything we do as a council. The council's strategic equalities objective that "citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the taxpayer" is outlined in our Corporate Plan.

Autumn Statement and Local Government Settlement 2016

- 1.2.22 On 23 November the Chancellor of the Exchequer announced the Autumn Statement 2016, in it he made a number of policy announcements including confirmation that the Autumn Statement will be abolished and the Budget will move to the autumn, with a Spring Statement introduced from 2018.

- 1.2.23 The key headlines for London and Local Government are as below:

- Previously announced Local Growth Fund, worth £2.3bn by 2020/21, to be allocated to Local Enterprise Partnerships (LEPs); £492m for London and South East;
- £2.3bn by 2020/21 for Housing Infrastructure Fund, funded by the National Productivity Investment Fund (NPIF), and allocated to local government on a competitive basis;
- Devolution of adult education budget (subject to readiness conditions) and the Work and Health programme were confirmed, and the Government will 'continue to work with London to explore further devolution of powers over the coming months';
- It was announced that there would be no changes to local government funding, including no increases to social care funding. However, on 15 December 2016, the Government announced the Local Government Finance Settlement for 2017/18 which included a proposal to allow all councils to increase the level of social care precept to 3% (previously 2%), with options for a further 3% increase in 2018/19. Note that rather than an increase in funding for social care, this would simply bring forward the funding generated, as the Settlement confirmed that councils will be unable to generate more than 6% through the precept over the next three financial years.

- 1.2.24 The existing 1.99% limit imposed on increases to general Council Tax, before triggering a local referendum, remains in place. This reduces the flexibility for councils to use Council Tax as a means of reducing the gap.

UK economy to 2020

- 1.2.25 Government predicts that the UK is likely to face a period of uncertainty, followed by adjustment.

1.2.26 Compared to OBR's forecast in Budget 2016, borrowing is higher in every year of the forecast and £32bn higher in 2020/21. Debt peaks at over 90% of GDP in 2017/18 due to a combination of higher borrowing, lower asset sales and the impact of the Bank of England's monetary policy operations.

1.2.27 The Government is no longer seeking a budget surplus in 2019/20 and will return the public finances to balance 'at the earliest possible date in the next Parliament', with an interim objective of reducing the structural deficit to less than 2% of GDP, and for debt as a percentage of GDP to be falling by the end of this Parliament.

Public spending to 2020

1.2.28 The Government's Spending Review in autumn 2015 set out total public spending reductions of £21.5bn to 2020. This was subsequently revised at the 2016 Budget, with a further £3.5bn of savings to be made in 2019/20. These are to remain in place.

1.2.29 The Government will take forward a series of 'efficiency reviews' across departments to achieve these additional reductions, which will report in autumn 2017. Of the £3.5bn savings to be identified, £1bn is intended for reinvestment in priority areas. There are no further details at this stage, although Local Government funding will be in scope.

Service specific national and regional context

School improvement

1.2.30 The Government's 'Schools that work for everyone' consultation ended in December 2016. The consultation had four main strands relating to selective (grammar) schools, faith schools, independent schools, and universities.

1.2.31 The Government is also consulting on the move towards a national funding formula for schools. The first part of the consultation is now complete, with stage 2 launched in December 2016. Barnet's Schools Forum and the Children, Education, Libraries and Safeguarding Committee have received reports setting out what is currently known but it is too early to indicate the financial impact on school funding in Barnet.

Children's Social Care

1.2.32 The Children and Social Work Bill, unveiled in the Queen's Speech in May 2016, aims to reduce delays in placing children with an adoptive family. The new law will also aim to improve social care standards across England.

1.2.33 At present the funding arrangements for the implementation of the new requirements has not been confirmed or identified.

Migrants

- 1.2.34 Section 67 of the Immigration Act 2016 (the Dubs Amendment) sets out the legislative framework for the accommodation of up to 3,000 child migrants by local authorities in the UK. The first of these children have arrived from Calais and further group of children are expected throughout the year.
- 1.2.35 Central Government has set out the funding arrangements for these children although there is a consensus within local government that this resource is not sufficient to cover the costs.
- 1.2.36 Barnet has worked with neighbouring authorities in London to secure 100 places for children from Calais. The council could be required to increase our numbers of unaccompanied asylum seeking children by a further 26 to meet this legislative requirement.
- 1.2.37 The council is on course to meet its commitment to resettle 50 Syrian refugees through the government's Vulnerable Persons Relocation Scheme by spring 2017.

Adult Social Care

- 1.2.38 During 2016, every health and care system worked together to produce a multi-year Sustainability and Transformation Plan (STP), showing how local services will evolve and become sustainable over the next five years – ultimately delivering the Five Year Forward View vision. Local health and care systems have come together in STP 'footprints' with Barnet included in the North Central London sub-regional area. The health and care organisations within these geographic footprints will work together to narrow the gaps in the quality of care, their population's health and wellbeing, and in NHS finances.

Housing

- 1.2.39 The Housing White Paper 'fixing the broken housing market' was published on 7 February 2017, this sets out the government's plans to reform the housing market and boost the supply of new homes in England.
- 1.2.40 For local authorities, the Government is offering higher fees and new capacity funding to develop planning departments, simplified plan-making, and more funding for infrastructure. This is intended to make it easier for local authorities to take action against those who do not build out once permissions have been granted. The Government asks local authorities to be as ambitious and innovative as possible to get homes built in their area. All local authorities should develop an up-to-date plan with their communities that meets their housing requirement (or, if that is not possible, to work with neighbouring authorities to ensure it is met), decide applications for development promptly and ensure the homes they have planned for are built out on time. The government are interested in the scope for bespoke housing deals to make the most of local innovation. Where local authorities are not making sufficient progress on producing or reviewing their plans, the Government will intervene. Where the number of homes being built is below expectations, a new housing delivery test will ensure that action is taken.

- 1.2.41 The Government intends on bringing social sector housing in line with the private market by capping social sector rents to the Local Housing Allowance (LHA) rates. In the Autumn Statement 2016 the government announced a delay to the implementation by one year, to April 2019. The cap will be applied to all new tenants in supported accommodation from April 2019, and the government will provide additional funding to local authorities, so that they can meet the additional costs of supported housing in their area. For general needs housing, the cap will now apply from April 2019 for all tenants on Universal Credit, and to Housing Benefit tenants whose tenancies began or were renewed since 2016.
- 1.2.42 Government announced a Housing Infrastructure Fund, funded by the National Productivity Investment Fund (NPIF), totalling £2.3bn by 2020/21. This will be allocated to local authorities on a competitive basis to provide infrastructure targeted at unlocking new private house building in the areas where housing need is greatest.
- 1.2.43 A regional pilot will be funded by Government to trial Right to Buy for Housing Association tenants enabling over 3,000 tenants to access discounts. There has been no further detail about the disposal of high value assets which is supposed to fund the wider roll out of this policy.
- 1.2.44 The Mayor had indicated that he wished to introduce a number of measures in relation to housing, the impact of which is not yet known.

North London Waste Authority (NLWA)

- 1.2.45 The North London Waste Authority submitted a Development Consent Order (DCO) application for an Energy Recovery Facility at Edmonton EcoPark, to replace the existing Energy from Waste plant at the EcoPark, which is coming to the end of its operational life. The Secretary of State decision on the DCO is due by 24 February 2017.
- 1.2.46 Decisions will then need to be made on the most effective way to fund the construction costs of the new replacement facility. This will bring financial challenges as it is anticipated that the levy that the seven constituent boroughs will pay to NLWA will be higher than they are now, as the constituent boroughs are currently benefitting from a low levy due to an existing plant that is over 45 years old.
- 1.2.47 The delivery and funding method of the preferred option has not been explored by the Authority yet, however early indications of the impact on the levy show an increase of £6m by 2020/21 and a further £4m by 2025/26. This estimate is based on all constituent boroughs achieving 50% recycling rates, which looking at current recycling rates, is an optimistic assumption and therefore the increase in levy could be more.

1.3 Corporate Plan - 2017/18 addendum

- 1.3.1 In April 2015, Council approved a five-year Corporate Plan covering the period 2015 to 2020. Each year, an addendum is published with revised

activities and indicators for the year ahead. These are aligned to the strategic priorities - delivering quality services; responsible growth, regeneration and investment; building resilience in residents and managing demand; transforming local services; and promoting community engagement, independence and capacity – and ensure the council remains focused on the things that matter most.

1.3.2 The activities and indicators, including new and revised targets, have been reviewed by Performance and Contract Management Committee on 5 January 2017; and performance will be monitored throughout the year.

1.3.3 The 2017/18 addendum is included as Appendix N.

1.4 Medium Term Financial Strategy

1.4.1 The Medium Term Financial Strategy (MTFS) is the Council's major financial planning document. It puts the financial perspective on the council's Corporate Plan priorities, expressing the aims and objectives of various plans and strategies in financial terms up to March 2020. It is a key element of sound corporate governance and robust financial management.

1.4.2 The Medium Term Financial Strategy from 2017/18 to 2019/20 is set out at Appendix A. It takes into account national economic factors such as forecasts to Government spending and inflation, along with local factors which will have an impact on the councils budget such as population change, housing development and regeneration as well as other demand pressures on services.

1.4.3 The Council meeting in March 2016 agreed plans to achieve reductions of £61.5m for the period 2017 to 2020. This included savings of £56.5m and a commitment to support the budget in 2019 of £5m from reserves.

1.4.4 Policy and Resources Committee received a report in December 2016, which revised the MTFS and identified that Theme Committees had confirmed savings of £53.3m, use of reserves of £9m (up to 2020), leaving a gap of £3.2m, of which £2.9m would fall in 2017/18.

1.4.5 The provisional 2017/18 local government finance settlement in December 2016 set out the Government's council tax referendum principles for 2017/18 and the core principle of a 1.99% referendum trigger remains in place for an authority's council tax increase.

1.4.6 The main change to Council Tax announced as part of the 2017/18 settlement is the increase in the flexibility permitted in the use of the Social Care Precept (SCP). The council will have the freedom to increase by up to 3% in 2017/18 or 2018/19, but cannot exceed 6% in total over the three-year period (2017-20). An addendum to the budget consultation document was published on 19 December 2016 to take account of this announcement.

1.4.7 Other implications for this council from the provisional local government finance settlement in December 2016 are as follows:

- New Homes Bonus (NHB): Reduction in the number of years for which NHB is paid – the current scheme makes payments for six years and this will be reduced to five years in 2017/18 and then to four years from 2018/19. The estimated impact is a reduction in funding of £5m over the period to 2020. There is still no confirmation about the future of NHB post 2020.
- Education Services Grant (ESG): Reduction of £3.6m.
 - The ESG is additional funding given to academies and local authorities for services such as school improvement, education welfare services, asset management and strategic planning. It is made up of two elements – a retained duties element (£0.8m) which covers statutory duties in relation to all schools (including Academies and Free Schools) and a general fund element (£2.8m) that relates to local authority statutory duties in respect of maintained schools.
 - The DfE has moved the retained duties element into the Dedicated Schools Grant (DSG) and has allowed local authorities to retain the funding, subject to agreement of the Schools Forum. The Schools Forum has agreed this for 2017/18.
 - The general fund element £2.8m relates to statutory duties in respect of maintained schools only and will be withdrawn entirely by 2018/19. However, there is transitional funding of £1m for 2017/18 only meaning the reduction is £1.8m in 2017/18.
 - The DfE has also announced allocations of a School Improvement Fund, a separate grant for School Improvement, which was previously funded from the ESG. Barnet's provisional part-year allocation (September 2017 to March 2018) for 2017/18 is £0.192m.
 - Local authorities (LA) may top-slice schools block funding for maintained schools for the general fund element with the approval of the maintained school members of the Schools' Forum. If the LA and Schools Forum are unable to reach consensus on the level of the DSG to be retained by the local authority, the matter will need to be referred to the Secretary of State.
 - In the light of the allocation of transitional funding for 2017/18, it is not proposed to ask for retention of DSG funds (from the allocations to maintained schools) for 2017/18. However, it may be necessary to consider the position in respect of 2018/19 and future years, having regard to the overall budget position facing the council and the various factors impacting on school budgets.
- Better Care Fund (BCF): Increase in 2018/19 of £2.7m and an increase in 2019/20 of £5.9m. However, specific requirements for use of this fund in future years may not stay the same. There is uncertainty around how much of this will be for social care until each year's BCF guidance is published and joint agreement is required with the NHS.
- Adult Social Care Grant: this is a one-off grant of £1.4m for 2017/18 only. This is the allocation of the NHB "saving" in proportion to the adult social care relative needs formula from 2013/14 so that all authorities with responsibility for social care receive a share of this funding.

1.4.8 Consultation with the public took place between 5 December 2016 and 19 January 2017 on the overall budget for 2017/18, the savings proposed and the options for Council Tax. The options to close the £2.9m gap were to either

increase general council tax by 1.99% in 2017/18 or meet it from reserves and then allocate a further £2.9m to the Theme Committee savings target in 2018/19. The view from the consultation was not to increase general council tax but to use reserves, find additional savings and apply the adult social care precept of 3%.

1.4.9 Main assumptions within the MTFS are:

- **Pressures:** an assumption has been made in the MTFS for future demographic pressures specifically for Adults and Children's Social Care costs. This is based on the latest demographic projections from the GLA and specific data from the Projecting Older People Population Information System (POPPI) and the Projecting Adult Needs and Service Information System (PANSI). Based on existing budget monitoring, underlying budget pressures have also been factored into the budget;
- **Inflation (pay):** the local government pay award has been confirmed as 1% increase for 2017/18;
- **Inflation (non-pay):** contractual inflationary amounts have been included, but general inflation has to be met from existing budgets;
- **North London Waste Authority (NLWA) levy:** figures for the NLWA levy are based on the latest information from the NLWA but levy information for 2017/18 will be finalised in February 2017;
- **Capital financing costs:** the council's borrowing requirement has been reviewed, taking into account the latest projections on the current capital programme spend;
- **Concessionary fares:** increases have been projected in line with demographic changes of the 60+ population in Barnet;
- **Business rates:** the business rates revaluation, which will come into effect on 1 April 2017, has increased the value of the property base by 11.91%. Due to the nature of the national rating scheme the multiplier will also be adjusted to take into account the national growth. Accordingly, this has been reduced to 46.6p. The income for Barnet for 2017/18 is forecast at £35.091m with an additional grant for government incentivised schemes such as small business rates relief, of £1.383m;
- **Revenue Support Grant:** this reflects the multi-year funding settlement to 2020 following the councils successful submission to the Department for Communities and Local Government of its 'Efficiency Plan';
- **Social Care Precept:** the MTFS assumes 3% for 2017/18 and 1.5% for 2018/19 and 2019/20;
- **General Council tax:** no increase assumed in the MTFS;
- **Individual Electoral Registration:** government grant funding towards this has ended and to continue the work £190k will be allocated towards this from contingency in 2017/18.

1.4.10 Current pressures provided for in the MTFS

- Adult social care pressure (includes existing overspend and future projected demographic growth) of £7.4m;
- Vulnerable children pressures of £500k, including changes associated with Lord Dubs' amendment to the Immigration Bill;
- Children's, Education and Family services demographic pressures £1.9m

- Environment related pressures £1m
- Estates - increased security costs and increased costs relating to Health and Safety compliance checks £500k (net of mitigating factors)
- Homelessness pressure, estimated to be £1.3m (net of mitigations being put in place)
- Apprenticeship levy for council employed staff and maintained schools £650k

1.4.11 Mid to Long-Term Pressures (post 2020)

- North London Waste Authority (NLWA): funding of future of residual waste management arrangements is likely to incur costs in the region of £6m by 2025

1.4.12 There are known risks which have not been factored into the current MTFS, these are:

- Impact of not achieving 50% recycling rates: the estimated impact of the new facility on the borough levy is an increase of £6m from 2021 onwards. However this is predicated on achieving 50% recycling rate. There are poster campaigns planned to achieve behaviour change through education and information, however this will require a change in current practices;
- Demographic increases and increases in complexity of social care packages: the MTFS factors in an increase in demographic pressures, however if the increase that services experience are more than this, then this could result in an overspend across those services impacted, as seen in 2016/17 in Adults services;
- Business rates: on the current business rates retention scheme, there is a risk that the current deficit will continue to grow. The increase in permitted development schemes will add to this pressure;
- Non-pay inflation: the current MTFS assumes an average 2% increase in contract spend, however inflation on some of the contracts is being assessed at 4%, if this is the case on most of the contracts, then this could result in an overspend across services.

Local Government Finance - Post 2020

1.4.13 Although there is still a great deal of uncertainty around the local government funding, any new Local Government Finance System will no doubt place increasing emphasis on the council being more self-sufficient.

1.4.14 The Government's consultations on "Self-sufficient local government: 100% business rates retention" and "Fair Funding Review: Call for evidence on Needs and Redistribution" both closed on 26 September 2016. The Department for Communities and Local Government (CLG) are analysing responses.

1.4.15 The proposals in the consultation indicated that retention of business rates at local authority level will be in exchange for additional responsibility and a reduction in separate grants. The Fair Funding Review will consider what the relative needs assessment formula should be following the implementation of 100% business rates retention. It will deliver an assessment of relative needs

within a fixed amount of business rates income. The distribution of funding for new responsibilities will be considered on a case by case basis once these responsibilities are confirmed; they are likely to have bespoke distributions.

1.4.16 The Local Government Finance Bill, is currently passing through parliament. This creates an opportunity for the Greater London Authority to be part of a pilot in 2017, although that will not affect Barnet at this stage. Government have announced that the full retention scheme will be in place by 2020.

1.4.17 The Local Government Finance Bill aims to:

- provide the legislative framework for the introduction of full retention of business rate revenue by local authorities;
- give effect to a number of adjustments to liability for business rates arising from recent policy reviews and decisions, and permits initiatives towards greater digitisation of rates collection;
- permit the imposition of 'infrastructure supplements' by mayoral combined authorities and the Mayor of London, as agreed in a number of the 'devolution deals' concluded in 2014-16; and
- introduce a new 'property owner levy', built upon the concept of 'property owner Business Improvement Districts' developed in 2014, and extends the power to create business rate supplements to mayoral combined authorities.

Barnet's response

1.4.18 The council will be undertaking a 'Priorities and Spending Review' (PSR) to fully revise the MTFS through to 2023, presenting options to the new administration following the May 2018 local elections.

1.5 Savings proposals

1.5.1 The proposed budget for 2017/18 reflects a budget gap of £19.825m, with savings proposals to reach a balanced position. These savings are set out in detail in Appendix B1 and B2.

	2017/18 £000
Budget Gap before savings and pressures	19,825
Proposed Savings	(19,825)
Budget Gap after savings	0

1.5.2 The 2017/18 savings targets by Theme Committee are as below:

Theme Committee	2017/18 £000
Adults & Safeguarding	4,867
Assets, Regeneration & Growth	4,976
Children, Education, Libraries & Safeguarding	3,656

Theme Committee	2017/18 £000
Environment	3,965
Policy & Resources	2,361
Total	19,825

1.5.3 The combined Theme Committee savings targets from 2017 through to 2020 are set out below:

Theme Committee	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
Adults & Safeguarding	4,867	4,854	5,348	15,069
Assets, Regeneration & Growth	4,976	4,995	2,088	12,059
Children, Education, Libraries & Safeguarding	3,656	2,624	5,679	11,959
Community Leadership	-	-	243	243
Environment	3,965	1,915	680	6,560
Policy & Resources	2,361	2,289	3,323	7,973
Total	19,825	16,677	17,361	53,863

1.5.4 The detailed savings plans are included at Appendix B, and the main savings in each theme committee are listed below:

- Adults and Safeguarding Committee- £15.069m
 - 3rd party spend
 - Shared services and new delivery models
 - Transformation of 'Your Choice Barnet' supported living and day care services
 - Support for working age adults
 - Mental health service users – step down/independent living
 - Integrated later life care
 - Assistive technology
- Assets, Regeneration and Growth Committee - £12.059m
 - Accommodation strategy
 - Increase in council tax base
- Children's, Education, Libraries and Safeguarding Committee - £11.959m
 - Contract management
 - LAC placement commissioning and social care demand management
 - Early years

- Libraries
- Community Leadership Committee - £0.243m
 - CCTV reducing expenditure
- Environment Committee - £6.560m
 - Street scene – commercial waste and cleansing income
 - Street scene – waste and recycling collection
- Policy and Resources Committee - £7.973m
 - Shared services
 - Borrowing costs and deposit income
 - CSG contract

1.6 The ‘ring fenced’ budgets are shown below:

Better Care Fund (BCF)

- 1.6.1 The total 2016/17 Barnet BCF allocation is £24.3m and is used to fund health services, social care services, major adaptations through the Disabled Facilities Grant and to make investments into the development of integrated services.
- 1.6.2 In 2016/17 the Council was allocated £7.7m of BCF funding; Adult Social Care service spends £6.7m for the protection of social care with the remainder being spent on health and social care integration projects.
- 1.6.3 The monies within Barnet’s BCF form a pooled budget under section 75 of the NHS Act 2006 overseen by the Barnet Health and Wellbeing Board. The section 75 agreement allows for resources to be easily transferred between health and social in order to meet the objectives of the pooled fund.
- 1.6.4 The success of the BCF and therefore the pooled budget is measured through the achievement of a reduction in emergency hospital admissions and initiatives with the BCF are targeting resources on preventing admissions to hospital through 7-day social work service, rapid response services and enablement.
- 1.6.5 At this stage it is expected that there will be a small uplift in-line with the NHS tariff (1.5% or 1.1%) in 2017/18. In 2018-20 it is expected that there will be a national increase of £600m for BCF. However, there has been no indication that any additional funding will come into the local authority social care allocation within the BCF funding pot.
- 1.6.6 The total Improved Better Care Fund represents an additional £105 million in 17/18, £825 million in 18/19 and £1.5 billion in 19/20. It is distributed to authorities with social care responsibility based on their adult social care relative needs formula and a calculation for increasing council tax by the additional 2% under the adult social care precept referendum principle. Barnet’s distribution is zero in 17/18, £2.7m in 18/19 and £5.9m in 19/20. The Department of Health (DH) and the Department for Communities and Local Government (DCLG) are still finalising the policy framework for the implementation of the Better Care Fund in 2017/18 and 2018/19. The

Planning Guidance will be published at the same time or shortly after the Policy Framework.

Dedicated Schools Grant (DSG) and Schools Budgets

1.6.7 The details behind the way in which the Schools' Budget has been put together is shown in Appendix E, it also includes a table showing a summary breakdown of the Schools' Budget.

1.6.8 The council is required to submit a completed Authority Proforma Tool (the APT), to the Department for Education (DfE) annually, which shows all the detailed assumptions underpinning the proposals for allocating budgets to schools and early years' providers in the following year. This is included in the appendix.

1.6.9 The key factors are as follows:

- The government's minimum funding guarantee (MFG) for schools remains the same as in 2016/17 (-1.5%). This means that the maximum reduction in per pupil funding for any school is 1.5%.
- Barnet's 'Primary:Secondary funding ratio' has remained consistent at 1:1.29 and, in order to maintain this ratio in 2017/18, Schools Forum agreed to increase the secondary age weighted pupil unit (AWPU) by £5 per annum.
- To ensure the affordability of the MFG protection that means schools do not lose more than 1.5% per pupil in their formula funding, Schools Forum also agreed a change to the amount schools can gain by applying a cap. Schools would keep formula funding gains up to a maximum of 2.25% per pupil.
- As explained last year, the December 2015 IDACI (Income Deprivation Affecting Children Index) release meant that IDACI scores for all Barnet schools (and in London generally) were lower than in the previous year. To reflect the lower deprivation scores, the DfE has redesigned the IDACI bands to return them to a similar size to previous years. In light of this, Barnet has reverted to funding the 3 most deprived IDACI bands, now classified as A, B and C. The total deprivation expenditure as a percentage of total distribution remains consistent with previous years.
- All academies and free schools are treated in the same way as maintained schools in that their pupils are used to determine the Schools Block of the DSG, and the local authority calculates and submits their funding on the authority proforma tool (APT) so the money can be recouped by the Education Funding Agency from Barnet's DSG.
- Local authorities are responsible for pupil growth at all schools, except in the first year of opening a new free school. A total of £3.8m is needed in the growth fund budget for 2017/18 to pay for new year groups opening in academies and free schools as well as expansions at maintained schools.
- As a result of the move to the Early Years National Funding Formula (EYNFF), Barnet will receive £5.90 per hour for three- and four-year-olds, an increase from the £4.80 per hour per child received in 2016/17. It is a requirement of the EYNFF that LAs must set a universal base rate per hour for all providers and it is also mandatory to include a deprivation supplement in the new formula. A further requirement is that in 2017/18 at least 93% of the funding for 3 and 4 year olds is passed on to providers

through a combination of the formula funding for places and an Inclusion Fund to support children with low level or emerging special educational needs in Early Years settings. All these requirements are met in the draft budget that forms the basis of the APT submission.

1.6.10 The funding rates proposed for the 2017/18 financial year are as follows:

	Primary £	Secondary £	Primary £	Secondary £
Age Weighted Pupil Unit	3,325.75	4,782.86	3,325.75	4,772.86
Free School Meals (Ever 6)	1,423.56	505.00	1,423.56	505.00
Lump sum per school	122,000.00	122,000.00	122,000.00	122,000.00
Deprivation: IDACI C	880.00	2,189.44	Bands not in use in 2016/17	
Deprivation: IDACI B	2,100.00	5,224.80		
Deprivation: IDACI A	4,000.00	9,952.00		
Deprivation: IDACI 4	Bands not in use in 2017/18		350.00	1,045.00
Deprivation: IDACI 5			2,100.00	5,225.00
Deprivation: IDACI 6			4,200.00	10,450.00
English as Additional Language 2	530.00	1,378.00	530.00	1,378.00
Mobility	422.90	618.53	422.90	618.53

Housing

1.6.11 Housing Committee has savings that deliver benefits to the Housing Revenue Account (HRA) business plan. These total £2.168m from 2017/18 to 2019/20 and comprise of the proposals below:

- Reduction in management and repairs costs due to forecast stock losses through estate regeneration and Right to Buy sales - £1m;
- Reduced operating costs relating to service redesign - £293k;
- Enhancing the value of contract arrangements, reduced accommodation costs and new ways of effective use of IT – £830k; and
- Stopping 'non-essential' works and re-prioritisation of certain types of non-urgent repairs - £45k.

Public Health

1.6.12 The Spending Review and Autumn Statement 2015 confirmed that the ringfence on public health spending would continue in 2016/17 and 2017/18, with funding expected to reduce by an average of 3.9% per annum over the next 5 years.

1.6.13 The provisional Local Government Finance Settlement in December 2016 confirmed that £17.609m grant had been allocated to Barnet for 2017/18.

1.6.14 Public Health budgets have been modelled based on the notified grant allocation for 2017/18, plus 2.65% reductions thereafter. However, there is no clarity how Public Health will be funded in the future, pending the results of the Governments consultation on localisation of business rates.

1.6.15 To contain spend within the grant allocation, the Public Health outcomes have been reviewed to ensure key priorities remain funded and the public health spending of £17.609m within the councils budgets reflects the grant allocation published for 2017/18.

1.6.16 The Council has to consider the most appropriate way for public health funding to be spent, taking account of the joint strategic needs assessment and the Council's overarching statutory duties. The spend on the wider determinants of health, notably in Early Years, has increased. As a result, investment of £147k per annum (until March 2018) into Adult Social Care Prevention and £250k per annum (until March 2019) for CAMHS has been assumed. These investments will mitigate the impact of savings that will be delivered.

1.6.17 Underspend of approximately £1.3m from current and previous years will be used to fund and support outcomes that support 'wider determinants of health' in Adults social care.

1.6.18 Commissioning intentions and the budget for 2017/18 is due to be presented to Health and Wellbeing Board at its meeting on 9 March 2017.

1.7 Council Tax and Social Care Precept

1.7.1 The Council needs to ensure that it has adequate resources to meet its statutory and mandatory obligations and its priorities. Its approach is to deliver a budget that is affordable and with a prudent and realistic level of Council Tax over the period of the MTFS.

1.7.2 The council tax base is an important step towards setting the basic amount of Council Tax. The detailed council tax base schedule is included at Appendix B. The Chief Finance Officer, under delegated powers, has determined the 2017/18 council tax base to be 139,049 (Band D equivalents), the calculations are shown in the following table:

Council Tax Base	2017/18 Band D equivalents	2016/17 Band D equivalents
Total properties (per Valuation List)	169,714	168,206
Exemptions	(2,513)	(2,454)
Disabled reductions	(111)	(112)
Discounts (10%, 25% & 50%)	(28,258)	(28,938)
Adjustments	2,319	605
Aggregate Relevant Amounts	141,151	137,307
Non-Collection (1.5% both years)	(2,118)	(2,060)

Council Tax Base	2017/18 Band D equivalents	2016/17 Band D equivalents
Contributions in lieu from MoD	16	77
	139,049	135,324

- 1.7.3 The Localism Act gave local communities the power to decide on council tax increases. The Government determines the limit for council tax increases and if an authority proposes to raise taxes above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise. The Government has indicated that the level that it considers excessive for general council tax in 2017/18 is 1.99%.

Adult Social Care Precept

- 1.7.4 The Chancellor's budget announcement on 25 November 2015 allowed the flexibility of applying a precept of up to 2% annually from 2016/17 to 2019/20 in order to mitigate the impact of the pressures on care for the elderly.
- 1.7.5 On 15 December 2016, as part of the Provisional Local Government Finance Settlement 2017/18, it was announced that there would be increased flexibility to local authorities with social care responsibilities through the Social Care Precept. This flexibility is in the form of enabling councils to raise it by 3%, rather than the 2% originally planned, although there would not be any additional funding over the remaining three-year period of the social care precept – with no more than 6% to be raised in total (over the period 2017-20).
- 1.7.6 The current underlying pressure in Adult social care is estimated to be at least £6.4m for 2016/17, which includes risks around increasing demand, new statutory requirements, inflationary pressure as a result of an increase in National Living Wage and increased referrals from the NHS. This has been built into the assumptions for setting the budget requirement and considering the level of social care precept.
- 1.7.7 The Localism Act requires Council approval of the Council Tax requirement (including settlement funding assessment) in place of budget requirement (excluding settlement funding assessment).
- 1.7.8 If the Adult Social Care (ASC) Precept is applied at 3%, the council tax for Barnet will be as per the following table:

BUDGET	2016/17 Original	2016/2017 Current	2017/2018 Original
	£	£	£
Total Service Expenditure	271,782,521	272,715,521	270,333,880
Contribution to / (from) Specific Reserves	10,735,156	10,735,136	1,234,000
NET EXPENDITURE	282,517,677	283,450,657	271,567,880
Other Grants	(38,829,000)	(39,761,980)	(36,612,000)
BUDGET REQUIREMENT	243,688,677	243,688,677	234,955,880
Business Rates Retention	(35,484,000)	(35,484,000)	(36,484,000)
Business rates top-up	(18,265,000)	(18,265,000)	(18,362,000)
BUSINESS RATES INCOME	(53,749,000)	(53,749,000)	(54,846,000)
RSG	(36,849,000)	(36,849,000)	(23,413,000)
Collection Fund Adjustments	(3,636,000)	(3,636,000)	(3,000,000)
Additional income from Council Tax	2,253,000	2,253,000	6,863,000
BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT	151,707,677	151,707,677	160,559,880
BASIC AMOUNT OF TAX	1,121.07	1,121.07	1,154.70
GLA TAX	276.00	276.00	280.02
TOTAL COUNCIL TAX (BAND D EQUIVALENT)	1,397.07	1,397.07	1,434.72

1.7.9 The provisional Greater London Authority (GLA) precept is £38,936,501 making the total estimated demand on the collection fund and Council Tax requirement £199,496,381.

London Borough of Barnet	£155,883,662
Social Care Precept	£4,676,218
Barnet's Council Tax Requirement	£160,559,880
Greater London Authority	£38,936,501
Total Requirement for Council Tax	£199,496,381

1.7.10 The levels of council tax for each category of dwelling will be:

Council Tax Band	Barnet £	ASC Precept £	GLA £	Total Council Tax £
A	734.71	35.09	186.68	956.48
B	857.17	40.93	217.79	1,115.89
C	979.62	46.78	248.91	1,275.31
D	1,102.07	52.63	280.02	1,434.72
E	1,346.97	64.33	342.25	1,753.55
F	1,591.88	76.02	404.47	2,072.37
G	1,836.78	87.72	466.70	2,391.20
H	2,204.14	105.26	560.04	2,869.44

1.7.11 Individual Council Tax bills will reflect occupancy status with discounts for low occupancy (one or no adults) and exemptions for specific circumstances. In addition, some residents will be eligible for Council Tax support.

Council Tax Support Scheme

1.7.12 The Council adopted, on 13 January 2015, following a consultation, a revised Local Council Tax Reduction Scheme called Council Tax Support. The scheme had the following features:

- Contribution of 20% for working age claimants unless in a protected group;
- Continued protection from the impact of the minimum contribution for war pensioners;
- War pension income disregarded from both the working age scheme and the pension credit age scheme;

1.7.13 The working age Non-dependant (ND) charges be uprated as follows:

Description	Deduction
Gross income greater than or equal to £196.95 per week from any source (unless the non-dependant is receiving an income in category 3)	£11.55 per week
Gross income less than or equal to £196.94 per week (unless the non-dependant is receiving an income in category 3)	£5.00 per week
In receipt of Income Support, Income based Jobseekers Allowance, Income related Employment and Support Allowance, State Pension Credit or Universal Credit where the award is calculated on the basis that the recipient has no earned income	Nil

1.8 Capital Investment Programme

1.8.1 Investing in the future is a key strand of the council's response to the scale of the challenge facing Local Government from funding reductions and increasing demand. Barnet will not be able to support the growth needed to ensure the council's financial independence without investment for the future. The capital programme doesn't only support the growth agenda but also includes a number of additions that enable the achievement of the revenue savings proposals.

1.8.2 The MTFS includes provision for future capital expenditure on council priorities through to 2020.

1.8.3 A review of the capital programme has been undertaken to apportion the expected spend, as far as possible, to accord with the latest project or delivery plans for each scheme. Projects have been reassessed for the amount of funding needed and available, and adjusted where appropriate. The changes are included in Appendix C3.

1.8.4 The current capital programme now totals £834m up to 2020, funded from a combination of capital receipts, borrowing, revenue and external grant contributions. The following table summarises the revised capital programme by Theme Committee. The detail is set out in Appendices C1 and C2.

Theme Committee	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
Adults & Safeguarding	2,625	21,903	11,540	-	36,068
Assets, Regeneration & Growth	37,818	100,102	41,630	7,700	187,250
Children, Education, Libraries & Safeguarding	45,536	52,824	60,640	51,426	210,426
Community Leadership	208	-	-	-	208
Environment	21,906	28,652	13,932	10,430	74,920
Housing	13,123	38,409	33,866	16,141	101,539
Policy & Resources	15,366	24,999	1,000	1,000	42,365
Housing Revenue Account	39,218	77,118	36,128	28,509	180,973
Total	175,800	344,007	198,736	115,206	833,749

1.8.5 There are a number of capital additions at different stages of development and approval, which may have a significant up front borrowing requirement. The costs of these are still being worked up and therefore at this stage these have not been added to the capital programme from 2017/18 but these are estimated to be:

- Brent Cross Thameslink station: estimated to be in the region of £215m; and will enable the regeneration of Brent Cross south side. £97m of this will be funded by central government grant, for which we have a signed agreement, and ring-fenced increased business rates generated in the area (Barnet and GLA share);
- Development Pipeline Tranche 1: estimated to be in the region of £70m (2017-20); this mixed tenure development will generate capital receipts in excess of the investment which will enable us to continue investing in other projects across the borough;

1.8.6 In the period up to 2020, there are a number of non-HRA projects and programmes including office building at Colindale, Thameslink station, secondary school builds and investment in roads and pavements that require significant capital funding. The Treasury Management team has undertaken work to review the current strategy with specific regard to the borrowing strategy and reviewing capital financing requirement, cash balances, other capital proceeds, cashflow and phasing of new borrowing requirements. This forms part of the Treasury Management Strategy, in order to utilise cash balances as much as possible and reduce the need to take out new external borrowing.

1.9 Treasury Management Strategy

1.9.1 The Treasury Management Strategy is included in Appendix I. The main recommended revisions to the Treasury Management Strategy are:

- taking external borrowing from 2017/18 and using temporary borrowing as long as practical, to maintain cash investments of circa £100m at year end
- to extend the sovereign counterparty list to invest worldwide with minimum AA rated counterparties.

1.9.2 The council's treasury management advisers, Capita Asset Services, recommend that the counterparty list includes non-UK, including European, banks. Having the scope to invest in non UK banks improves the risk profile through providing further diversification. As the council would maintain the use of banks with a minimum AA rated counterparty rating there should be no higher risk to the council's funds as a result of investing in non-UK compared to investing in UK banks. The decision to invest in any bank will continue to be subject, at the time, to seek to obtain the highest rate of return consistent with proper levels of security and liquidity.

1.9.3 Temporary borrowing will be in the form of either short term loans from other local authorities or variable Public Works Loan Board (both less than one year).

1.10 Housing Revenue Account

1.10.1 The Local Government and Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account. Any surpluses generated from the HRA can be used to support the account when it fails to break even. One budget can be set so that there is a drawing on balances, but it is not permissible for an overall HRA budget deficit to be set. It is for the Council to determine what level of balances should be maintained. The HRA balance at 31 March 2016 was £8.8m. The 2016/17 quarter 3 monitoring position indicated that the HRA balances are forecast to be £11.2m at 31 March 2017.

1.10.2 The principal items of expenditure within the HRA are management and maintenance costs, together with charges for capital expenditure (depreciation and interest). This is substantially met by rent and service charge income from dwellings, garages and commercial premises.

Council Dwelling Rents

1.10.3 Council rents are required to be reduced by 1% a year for the four years from April 2016, following which they are expected to increase by the Consumer Prices Index (CPI) + 1%. This is required by the Welfare Reform and Work Act.

1.10.4 When a dwelling is re-let to a new tenant then the rent will be reset at the formula rent level, minus 1% for four years from April 2016 as required by the Government policy for social rents.

1.10.5 Where a dwelling rent is already above formula rent levels at the point it becomes empty, there will be no adjustment to the rent when the property is re-let.

1.10.6 Once a property has been let, the rent will reduce by 1% a year at the start of the following financial year for the current tenant up to and including 2019/2020.

1.10.7 New homes being delivered on the Council's land will be subject to affordable rents set at 65% of average private sector market rents or the Local Housing Allowance (LHA) whichever is lower. In line with Government Policy, the affordable rent that applies at the end of each financial year will be reduced by 1% at the start of the next financial year for the current tenant up to and including 2019/2020.

1.10.8 The current average weekly rent on a 48 week basis will be £110.53. This has decreased from an existing weekly average rent of £111.65. The average formula rent (for new tenants on re-let) will be £118.28; this has decreased from an existing average of £119.47.

Service Charges and Garages

1.10.9 The table below outlines the changes that are recommended to take effect from 1 April 2017 (on a 48 week basis):

	2016/17	2017/18	Increase £	Increase %
Grounds Maintenance	£2.71	£2.77	£0.06	2.2%
Lighting	£1.16	£1.21	£0.05	4.3%
Heating - Grahame Park	1 Bed- £12.20	1 Bed- £12.20	1 Bed- £0.00	0%
	2 Bed - £16.92	2 Bed - £16.92	2 Bed - £0.00	
	3 Bed - £18.27	3 Bed - £18.27	3 Bed - £0.00	
Heating – excluding Grahame Park	0%			
Digital Television	£0.84	£1.47	£0.63	75%
Weekly Caretaking	£6.61	£6.71	£0.10	1.5%
Caretaking Plus	£8.53	Service no longer being provided		
Quarterly Caretaking	£1.34	£1.36	£0.02	1.5%
Enhanced Housing Management and Alarm Service (sheltered housing)	2.2% increase applied to existing charges for these services			
Garages	2.2% increase applied to existing rents for these services			
Door entry systems (new charge)	£2.22 per week (for all new and replacement systems installed from 01/04/2017)			

- 1.10.10 The proposed changes reflect increases in the cost of providing the services described. In the case of heating charges, no increases are recommended as the cost of fuel has not increased during 2016/17.
- 1.10.11 The cost of providing access to digital television has been reviewed, and it has been identified that the current service charge does not reflect the cost of providing this service. It is therefore recommended that the charge is increase by 63 pence a week, which represents a significant % increase.
- 1.10.12 It is proposed that a new charge is introduced for new and replacement installations of door entry phone systems. This charge will also cover the on-going maintenance costs. New and replacement door entry phone systems will not be installed without first consulting with tenants and leaseholders.

HRA Summary and working balance

- 1.10.13 Total expenditure for 2017/18 is estimated at £59m, including charges for financing HRA debt.
- 1.10.14 The HRA for 2017/18 shows a contribution to balances of £2.2m. The estimated HRA balance as at 31 March 2017 is £13.5m.
- 1.10.15 There is uncertainty around government policy on rents beyond 2019/20. This could have a significant impact on the Business Plan in the medium term; the plan will continue to be up-dated as more information is received about such risks.

Housing - Right to Buy (RTB) Receipts

- 1.10.16 The council has entered into an agreement with the Department for Communities and Local Government (DCLG) to retain an element of the RTB receipts for investment in building or acquisition of new social housing. Up to 30% of the retained receipts must be spent on the cost of replacement affordable rented homes.
- 1.10.17 Retained RTB receipts must be spent within three years of being received. If retained RTB receipts are not spent within the three years' time limit they must be returned to DGLC, with interest charge at 4 per cent above base rate (Bank of England), calculated from the date of the relevant RTB receipts.
- 1.10.18 The council has undertaken purchase of property to add to the stock of social housing to ensure that the receipts do not have to be repaid to DCLG.

1.11 Robustness of the budget and assurance from Chief Finance Officer

- 1.11.1 The Chief Finance Officer is required under section 25 of the Local Government Act 2003 to report to the council on the robustness of the estimates and adequacy of reserves. The council's reserves and balance policy is attached at Appendix K.

Robustness of Estimates

- 1.11.2 The Council is a going concern and the budget process is part of a continuous service planning and financial cycle. Therefore, knowledge and understanding of the previous and current national and local financial and economic environments are used to make informed assumptions and judgements about the future. This activity seeks to establish a robust budget which is appropriate and realistic having taken a practical assessment of risk.
- 1.11.3 The impact on the MTFS from previous financial settlements has been mitigated by using collection fund surplus, new homes bonus and use of reserves.
- 1.11.4 The reduction of funding in contingency means that if the social care precept is not applied, additional savings options will need to be developed of at least £3m (on-going) to ensure there is a balanced and sustainable budget going forward.
- 1.11.5 The financial planning process has been managed at officer level through the Delivery Unit Board and Commissioning Group Management Team meetings. These Director level groups have overseen the process for financial planning, including medium-term resource projections, the strategic context for the borough, and the quantification of new pressures on resources, and the identification of potential budget savings. This has happened alongside budget challenge sessions with members of Performance and Contract Management Committee and Policy and Resources Committee.
- 1.11.6 Extensive consultation has taken place in respect of the budget proposals in general, and also in respect of specific planned changes. Consultation feedback has been taken into consideration as final proposals to the council have been formulated.
- 1.11.7 At Member level, the Theme Committees have considered the financial planning process and made recommendations to the Policy and Resource Committee. The savings will then be referred to Council and agreed in March 2017.

Robustness of Budget Setting Process

- 1.11.8 The process that has been undertaken to set the budget has included engagement of officers from service departments throughout the year, regular reporting to Theme Committees and Council, consultation with the public, along with due consideration of statutory duties, particularly in respect of equalities. For these reasons, it can be confirmed that the budget setting process has been robust.

Effectiveness of Budget Management

- 1.11.9 The council has robust arrangements for managing budgets and performance. Close attention will continue to be paid to the implementation of agreed savings, with regular reporting to the Performance and Contract Management Committee.

1.12 Reserves and balances

- 1.12.1 It is the role of the Section 151 officer to recommend a level of reserves within the council's budget. However, it is important that members understand the level of reserves that the council holds, and ensure that the reserves policy fits in line with the organisational strategy. The council's policy on reserves and balances is attached at Appendix K.
- 1.12.2 The council expects to hold general non ring-fenced and not earmarked annual reserves of £10m to deal with any in year and unplanned pressures. The council will seek in time to increase this to £15m, which is equivalent to 5% of annual expenditure and in line with audit and regulatory good practice. The council needs to ensure an adequate level of reserves and contingencies, which will enable it to manage the risks associated with delivery of the budget including equalities impacts and unforeseen events.
- 1.12.3 Ring fenced reserves include money that is ring fenced by statute and can only be used for their designated purpose (such as schools and public health balances), funding held to service a long term PFI contract, and also funding held on behalf of other organisations such as the North London Sub Region.
- 1.12.4 The council held specific reserves at the end of the last financial year of £123.6m, a general fund balance of £12.5m and HRA balance of £8.9m. The following table indicates the estimated balances that the council will hold up to March 2020.
- 1.12.5 The reserve balances will be reviewed as part of the accounts closing process for 2016/17 to enable the council to have £25m available by 2020 for the 'balancing the MTFS' reserve.

Specific Reserves	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
	£m	£m	£m	£m	£m
Risk	9.1				
'Balancing the MTFS' Reserve	0	15.6	15.6	15.6	15.6
Transformation	12.7	6.7	4.5	2.2	0
PFI	4.3	4.3	4.3	4.3	4.3
Service Development	10.6	3.5	4.5	4.5	4.5
Infrastructure	35.7	23.6	0.6	5.3	11.1
Service Reserves	39.6	19.7	19.7	19.7	19.7
Council total	112	73.3	49.2	51.6	55.2
Schools reserves	11.6	7.9	7.9	7.9	7.9
Total	123.6	81.2	57.1	59.5	63.1

General Reserves	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
	£m	£m	£m	£m	£m

General Fund	12.5	10.4	10.4	10.4	10.4
Housing Revenue Account (ring fenced)	8.9	11.2	9.9	4.5	3.1

1.13 Fees and Charges

1.13.1 For the fees and charges within their remit, theme Committees, Planning Committee and Licensing Committee must approve changes to fees and charges that are above inflation by 2% or more, the introduction of new fees and charges, and changes to fees and charges outside the normal annual cycle.

1.13.2 Changes to fees and charges approved by theme Committees, Planning Committee and Licensing Committee must be reported to Policy and Resources Committee for noting.

1.13.3 Appendix F1 sets out the council's schedule of fees and that require noting by this committee.

1.13.4 This committee considered and approved its fees and charges on 1 December. The fees set for hire of Hendon Town Hall were set per event. These have now been revised to indicate charges for a half day or full day event. The committee are asked to approve a revised set of charges for the hire of Hendon Town Hall, these are set out in Appendix F2.

1.14 2016/17 Revenue Budget management

1.14.1 The forecast General Fund **revenue outturn** (after reserve movements) is £282.684m, with an adverse variance of £7.706m (2.8 per cent) compared with the revised budget of £274.978m.

1.14.2 The projected outturn expenditure on the council's **capital programme** is £175.800m (£136.582m of which relates to the General Fund programme and £39.218m to the HRA capital programme). There is a variance of £84.760m against the 2016/17 revised budget of £260.560m.

1.14.3 The Delivery Units with significant overspends are listed below with a summary of their main pressures:

- **Adults and Communities** - the current projected overspend of £6.054m represents 6.8 per cent of the total Delivery Budget (£88.968m). The care budgets within Adults have seen significant overspends since 2014/15 due to rising demand for services and increasing complexity in relation to those supported. Pressures also exist due individuals transitioning from children's services into adult services and from 'Ordinary Residents' clients transitioning into Barnet. The Deprivation of Liberty Safeguards (DOLS) service continues to have significant pressures in 2016/17, as a result of Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16. Some of the current pressures are offset by underspends within

the non-placement budget areas and these budgets continue to be closely monitored and managed.

- **Family Services** - the projected overspend of £0.988m represents 1.9 per cent of the total Delivery Unit budget (£51.044m). This is primarily due to an increase on '0-25 year olds' in relation to the increase in the cost of current placements, costs transferred from 'children looked after' or 'special educational needs' and young people moving out of home into supported living as they become more independent. There is also an increase in the number of agency staff covering vacant posts and pressure on the unaccompanied asylum seeking children budget.
- **Customer and Support Group** - the projected overspend of £0.500m represents 2.3 per cent of the total Delivery Unit budget (£22.090m). The projected overspend is due to additional security costs and reduced income.

1.14.4 Recovery plans for forecast in-year overspends are monitored by Performance and Contract Management Committee through the year.

1.14.5 Pressures identified in 2016/17 have been built into the MTFS, these are as outlined in paragraph 1.4.10.

1.14.6 Specific risks in the MTFS takes the pressures above into consideration, however relevant Directors will need to ensure existing overspends are being addressed in order to ensure delivery of future savings proposals are not at risk.

1.14.7 **Capital Budget** - the 'variance from approved budget' column is a net figure based on movements to and from budget allocated to future financial years, and additions and deletions to the capital programme.

1.14.8 The principal variances from the capital budget and reasons for these are as follows:

- **Adults and Communities** capital programme shows a variance from budget of £0.341m. This is due to a transfer from the IT Strategy project in Commissioning.
- **Commissioning Group** forecast includes the IT Strategy budget transfer to Adults (£0.341m), slippage in relation to the Depot relocation (£8.000m), community centre build (£2.000m) where the procurement phase has taken longer than expected and the Sports and Physical Activity project where a longer design phase than planned has delayed the start of the build from the original January date (£5.717m).
- **Education and Skills** forecast includes slippage of £31.376m, mainly as a result of school build and expansion funding being re-profiled into future years.
- **Family Services** capital programme is forecasting slippage of £4.139m. This is largely due to slippage on the implementation of the Library Strategy where work has started but not anticipated to complete until 2017/18, Residential and Fostering expansions that will not take place in this financial year.

- **Housing Needs and Resources** programme has decreased by £5.056m. This is in relation to the development pipeline, which, in the proposed current budget being submitted to Policy and Resources in February, will form part of a consolidated budget for support to Open Door.
- **Re** delivery unit capital programme has decreased by £26.594m. This is due to deletions of £1.152m where various small projects are no longer going ahead and slippage of £25.442m. The slippage is largely due to Brent Cross land acquisitions now not taking place in 2016/17 (£14.351m) and delays to the schedule for the investment in roads and pavements and carriageways resulting in the re-profiling of the budget (£8.932m).
- **HRA** forecast shows an addition of £0.313m for the New Affordable Homes project where section 278 costs are higher than expected and slippage of £0.885m. The slippage relates to Moreton Close where delays in the appointment of a contractor have extended this project further into 2017/18.

Transfers to reflect budget changes

1.14.9 Insurance budgets in 2016/17 need to be re-aligned across all delivery units to capture the total cost of running the service. This virement will be on a one-off basis as per the following table:

Service Area	£
Adults and Communities	(6,210)
Assurance	(7,710)
Births Deaths & Marriages	(1,640)
Children's Education & Skills	2,840
Children's Family Services	(40,540)
Commissioning	14,810
Customer Support Group	(47,270)
Housing Needs Resources	(430)
Regional Enterprise	(4,410)
Streetscene	75,520
Central Expenses	15,040
Grand Total	0

1.14.10 **Other Transfers** – at the start of the year some budgets are held in contingency and allocated to cover pressures or other events during the year. The funding for the 0-25 service has been held in both Adult services and contingency and now requires to be transferred to Family Services. The tables below show the movements of budget required. This is not additional funding.

'0-25' 2016/17 and ongoing	£
Tranche 1 clients	2,284,430
Transitions team – net	182,210
Total transfer from Adults to Family services	2,466,640

'0-25' 2016/17 and ongoing	£
Tranche 1 clients - transfer from contingency to Family Services	1,370,000
Total budget transfer for Tranche 1	3,836,640
Transfer from Adults	(2,466,460)
Transfer from Contingency	(1,370,000)
Grand total	0

Adults 2016/17 and ongoing	£
Transfer to Adults from contingency in 2016/17 to cover MTFS savings	300,000
Transfer from contingency	(300,000)
Grand total	0

'0-25' 2017/18 and ongoing	£
Tranche 2 clients	915,260
Staffing	67,880
Total budget transfer for Tranche 2 to Family Services)	983,140
Transfer from Adults	(983,140)
Grand total	0

Debt Write off

1.14.11 The council has a duty to pursue all debt owed to it. The debt management policy has been reviewed and amended to cover all aspects of debt due to the council and this is included as Appendix L1. No matter how good the recovery procedures are, inevitably there is debt which has to be written off. It should be noted that although debt is written off for the purposes of the council's accounting, if there is an opportunity to pursue this debt at a later stage it will be undertaken. The following write offs over £5k, be referred to Full Council. The full detail is included in Appendix L2;

- Sundry Debt write offs totalling £0.049m
- Council Tax write offs totalling £0.046m
- Non-Domestic Rates write offs totalling £3.140m
- Housing write offs totalling £0.179m

1.14.12 Council tax – one of the debts relates to bankruptcy and the remainder are in respect of closed accounts of which most are in respect of debtors who have absconded, including some who are known to be abroad.

- 1.14.13 Non domestic rates - all the debts are in respect of closed accounts. Most are in respect of debtors who have become insolvent or absconded, including some who are known to be abroad. Other debts are either limited companies that have been dissolved or wound up, or companies registered abroad.

1.15 Transformation Programme

- 1.15.1 Delivery of the outcomes set through the Corporate Plan and the savings required by the MTFS will continue to be achieved by the transformation programme, established in December 2014. At the heart of this approach is an invest-to-save model, aiming to achieve cumulative benefits of £167m by 2020.
- 1.15.2 This transformation programme has been delivering since 2015 and by March 2017 financial year it will have delivered £17.65m in savings.
- 1.15.3 The Council has delivered a range of improvements through the transformation programme, which are set out in Appendix J:
- 1.15.4 The transformation programme will continue to be a key mechanism for delivering the Council's MTFS savings and wider desired outcomes, providing the additional skilled capacity and delivery arrangements, beyond current business as usual operations, which will be required. In total, the programme aims to achieve £62.5m budget savings. Cumulatively this would mean £167m of savings delivered by March 2020. Progress of the programme is reported to the Performance and Contract Management Committee each quarter to oversee delivery of the financial benefits.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The council is legally obliged to set a budget each year which must balance service expenditure against available resources. It is also a key element of effective financial management for the council to put together a financial forward plan to ensure that it is well placed to meet future challenges, particularly in the context of cuts to local authority funding, demographic increases and legislative changes.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 This report sets out a range of options across the council's remit to meet the budget challenge. This includes proposals for workforce savings, as well as generating income. Alternatives to this could include more significant cuts to services the council provides, but these are not included in this report.

4 POST DECISION IMPLEMENTATION

- 4.1 Following approval of these recommendations, these budget proposals and council tax requirement will be considered by Council on 7 March 2017.

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; and
- 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 revenue budget proposals will enable the council to meet its savings target as set out in the MTFS. These budgets will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of the council budget setting process. For this reason, the proposals are subject to change annually.
- 5.2.2 A number of budget saving proposals are expected to result in a reduction in posts in the organisation. As the detail is worked up, these proposals will be considered by the General Functions Committee, in line with the council's human resources regulations. The current estimate on posts affected is shown below:

Delivery Unit	Full Time Equivalents (FTE)
Adults and Communities	5
Family Services	1
Street Scene	50
Commissioning Group	1
Total	57

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 that 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 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.
- 5.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.
- 5.4.3 All proposals emerging from the review of the budget setting process must be considered in terms of the council’s legal powers and obligations, including its overarching statutory duties such as the Public Sector Equality Duty.
- 5.4.4 Constitution Responsibilities for Functions Annex A sets out the terms of the Policy and Resources Committee, which include:
- To be the principal means by which advice on strategic policy and plans is given and co-ordinated on strategic issues such as the Council’s Capital and Revenue Budget setting, Medium Term Financial Strategy and ensuring effective Use of Resources and Value for Money.
 - To be responsible for the overall strategic direction of the Council including strategic partnerships, Treasury Management Strategy and internal transformation programmes.
 - To consider and take any necessary action on proposals for new legislation, Bills before Parliament, Acts of Parliament and other proceedings before Parliament affecting or likely to affect the interests of the Borough or its inhabitants generally, where not the specific concern of any other committee(s). The promotion of Bills and Provisional and Statutory Orders in Parliament shall be dealt with by the council.
- 5.4.5 As a matter of public law the duty to consult with regards to proposals to vary reduce or withdraw services will arise in 4 circumstance:
- 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.

5.4.6 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, and the extent to which alternatives and discarded options, have been considered.

5.4.7 Barnet Council is committed to involving residents, businesses and service users in shaping the borough and the services they receive. Consultation and engagement is one of the key ways the council interacts with and involves local communities and residents, providing them with opportunities to:

- Gain greater awareness and understanding of what the council does
- Voice their views and understand how they can get involved
- Feed in their views to the democratic decision making process.

5.4.8 There will be staff consultation about these proposals in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. The Council may be required to publish a statutory notice to the Secretary of State and undertake consultation should we reach the minimum thresholds for potential redundancies resulting from these proposals

5.4.9 Decision makers should have due regard to the Public Sector Equality Duty when making their decisions. If negative equality impacts are found then decision makers may decide to change their decisions after balancing all of the factors, including but not limited to equality considerations. The equalities duties are ongoing duties – they are not duties to secure a particular outcome. The equalities duties should be taken into account before a decision is made. It is important that decision makers have regard to the statutory requirements on them and make decisions in light of all available material. This will include the results of consultation and other comments that residents and organisations make on the proposals.

5.4.10 Full equality impact assessments have been prepared for the Policy and Resources Committee for those savings that will make up the budget for 2017/18 taking into account the results of the public consultation before the budget is referred to Council. Where proposals are at early stages then the equality impact assessment will be completed prior to decisions being made. Council will set the budget envelope and the themed committees will work within it. There are contingencies within the budget so that if an unacceptable equalities impact is found then decision makers may make an alternative

decision.

5.5 Risk Management

- 5.5.1 The Council has undertaken a review of its approach to risk management; an updated Risk Management Framework has been developed. This was approved by the Performance and Contract Monitoring Committee at its meeting on 15th November 2016 and the Corporate Risk Register forms a key part of the quarterly Performance Report, which is considered each quarter by that Committee.
- 5.5.2 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation.
- 5.5.3 The inability to deliver a balanced budget is one of the Council's key corporate risks. The proposals within this report are aimed at trying to mitigate this risk. The savings programme will be monitored robustly to ensure that Strategic Commissioning Board (SCB) and members are kept up to date with the progress.
- 5.5.4 The Council faces risks in relation to securing sufficient income and managing any overspend against its budget. This has been exacerbated by the recent local government finance settlement, which provided no extra funding to relieve growing demand pressures in relation to adult social care. This could lead to the Council missing its target for the Medium Term Financial Strategy, a reduction in its reserves, a negative impact on services, and resident dissatisfaction. It could also lead to potential failure of contracts, which are predicated on growth assumptions in the budget. Monitoring of the council's budget and reserves are undertaken in various forums, with Performance and Contract Monitoring Committee receiving quarterly reports on the state of the councils finances.
- 5.5.5 Other changes at the national level could further exacerbate this, such as reform of the Business Rate system.
- 5.5.6 The challenges set out in this report require fundamental change in the way Council services are delivered, which impacts on the human resources of the organisation and related policies and practices. This process will be managed in conjunction with Trade Unions and staff.
- 5.5.7 The future savings proposals are significantly challenging and dependent on a range of factors often outside of the control of the service and with longer lead in times. The achievement of savings predicated on reducing demand through improved preventative work and social work practice should lead to better outcomes. 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. There is therefore a risk that the savings set out may not be deliverable as the Council must always ensure that safeguarding of adults, children and young people remains paramount.

- 5.5.8 A key element of the Council's response to these risks is its major transformation programme, including Brent Cross, Mill Hill depot, relocation to offices in Colindale, Alternative Delivery Models for Street Scene and Adults and Communities, the Libraries programme, and Social Care Practice Improvement. The complex nature of these programmes means that there is also significant risk attached to them. This is controlled and mitigated through the leadership of Commissioning Directors, clear decision-making processes, the effective application of project management methodology, and robust governance (including member challenge).
- 5.5.9 The corporate risk register as at 2016/17 quarter 3, which will be considered by the Performance and Contract Monitoring Committee on 27 February 2017, is included in Appendix M.

5.6 Equalities and Diversity

- 5.6.1 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.

Equalities impact of budget and consultation

- 5.6.2 The Cumulative Equalities Impact Assessment (CEIA) is shown at Appendix H together with a diversity and cohesion data summary and theme committee savings templates which indicate the equalities impact of the budget savings proposals for 2017/18.
- 5.6.3 The CEIA reports the impact of budget savings proposals on the nine characteristics protected under the Equality Act 2010 and other groups who may be considered disadvantaged and/or vulnerable. This includes carers, unemployed people, families on low wage, and people with a particular disability such as a learning disability or a mental health condition, which might mean that our proposals will impact more heavily on them.
- 5.6.4 The demographic data shows continuing and increasing pressure and demand for our services especially for children and older people, as the borough continues to grow, change and become increasingly diverse in race, ethnicity and religion due to natural growth, regeneration and migration.
- 5.6.5 The CEIA shows that our savings proposals will result in many positive benefits for Barnet residents and businesses including the protected characteristics and other groups who may be disadvantaged. Each year, as theme committees work more strategically, in an inclusive and holistic manner, the CEIA shows relatively more positive impacts and relatively fewer negative impacts. However the following negative impacts have also been noted:
- The adult social care fairer contributions policy will impact on better off older residents. The mitigation is that an affordability assessment will be carried out in each case.
 - People with mental health issues, older people, people in receipt of social care benefit, carers and some people with disabilities including learning difficulties will be affected by service changes to mental health support, floating support and grant funding changes to Chinese Mental health Association, Asian Women's Association, Community Focus and Inclusion Barnet. Mitigations include a changed service delivery model and sustained communication with service users and service provider organisations.
 - Government policy has resulted in people on in work and out of work benefits seeing those benefits frozen for four years until 2020.

- The impact of any increase in council tax increase is likely to impact disproportionately on those with low income.
- The mitigations for these negative impacts are outlined in the individual EIAs.

Budget Consultation

- 5.6.6 The CEIA has taken into account the public consultation of 2017/18 budget proposals, which was open for six and a half weeks, from 5 December 2016 to 19 January 2017. This resulted in 783 responses, 91¹ from the general public and 692 from Citizens Panel. Responses to the budget consultation are not showing any significant differences in response rates by protected characteristic.

5.7 Consultation and Engagement

Preliminary consultation

- 5.7.1 The Council has already undertaken a range of consultation and engagement activities to inform the Council's development of the Corporate Plan strategic priorities and five-year commissioning priorities and plans, along with indicative savings proposals to inform the Medium Term Financial Strategy (MTFS). The preliminary consultation was designed to:

- a. Inform the Priorities and Spending Review by gathering insight to explore where savings and income generation can be made across the Council
- b. Understand residents' views of Council priorities and valued services
- c. Gain an in-depth understanding of stakeholders' priorities and how they would want the council to approach the budget and allocation of resources over the next five years.

- 5.7.2 In 2015 formal consultation also took place on the Strategic Plan to 2020. The results of which were presented to Policy and Resources Committee in February 2015 and Full Council in March 2015, before signing off the final Strategic Plan and MTFS to 2020.

- 5.7.3 The Strategic Plan consultation was designed to consult on the combined package of the Corporate Plan; commissioning priorities; and budget to 2020.

The consultation aimed to:

- Create a stronger link between strategy, priorities and resources
- Place a stronger emphasis on commissioning as a driver of the business planning process
- Focus on how the council will use its resources to achieve its Commissioning Plans.

- 5.7.4 The table below outlines the phases of engagement to date:

Phase	Date	Summary
Phase 1: Setting out the	Summer 2013	The council forecast that its budget would reduce by a further £72m

¹ 10 responses were received prior to the 15 December 2016 Local Government Finance Settlement announcement and 81 received after the 15 December)

Phase	Date	Summary
challenge		between 2016/17 and 2019/20, setting the scene for the PSR consultation
Phase 2: PSR consultation to inform development of options	October 2013 - June 2014	<ul style="list-style-type: none"> • Engagement through Citizens' Panel workshops which focused on stakeholder priorities and how they would want the Council to approach the Priorities and Spending Review • An open 'Call for Evidence' asking residents to feedback ideas on the future of public services in Barnet.
Phase 3: Engagement through Committees	Summer 2015	<ul style="list-style-type: none"> • Focus on developing commissioning priorities and MTFS proposals for each of the six committees • Engagement through Committee meetings and working groups.
Phase 4: Strategic Plan to 2020 Consultation	December 2014 - 2015	<ul style="list-style-type: none"> • A series of six workshops with a cross-section of residents recruited from the Citizens' Panel and Youth Board, plus two workshops with users² of council services. • An online survey.

The council has also conducted annual budget consultations each year as part of its business planning process.

Formal consultation on 2017/18 budget

- 5.7.5 Preliminary consultation and engagement has informed the development of the Council's 2017/18 budget proposals to be put forward for consultation.
- 5.7.6 The general budget consultation began after Policy and Resources Committee on 5 December 2016 and concluded on 19 February 2017.
- 5.7.7 The following paragraphs set out the headline findings from the general budget consultation 2017/18 which will be presented to Full Council on 7 March 2017. The detailed findings can be found in Appendix G.

General consultation on 2017/18 budget

Method

5.7.8 The 2017/18 general budget consultation asked for views on:

- Options for Council Tax increases next year;
- The overall budget and the saving proposals;

² One "service user" workshop was for a cross-section of residents who are users of non-universal services from across the Council. The second workshop was for adults with learning disabilities.

- The budget and savings proposals within each theme committee.

5.7.9 The general public consultation was published on Engage Barnet with detailed background information about the Council's budget setting process and the financial challenges the Council faces.

- Respondents' views were gathered via online questionnaire. Paper copies and an easy-read version of the consultation were also made available on request;
- As part of the Council's statutory duty to consult with National Non Domestic Rate (NNDR) payers, letters were sent out to all the Council's NNDR payers inviting them to take part in the consultation;
- The consultation was widely promoted via the Council's residents' magazine, Barnet First; Barnet Online; local press; Twitter; Facebook; and posters in libraries and other public places;
- Super-users, i.e. users of non-universal services, were also invited to take part in the consultation through Community Barnet; Communities Together Network, Youth Board, and Delivery Unit newsletters/circulars and super user mailing lists;
- A separate questionnaire was sent to the Citizens' Panel³ to ensure the views of a representative sample of the borough's population were captured on the different options for Council Tax increases in 2017/18.

5.7.10 However, on 15 December 2016, during the consultation period, the Local Government Finance Settlement for 2017/18 was announced. Within this settlement the Government set out proposals to provide councils with additional flexibility to increase the social care precept by a further 1% for 2017/18 on top of the existing 2% social care precept flexibility. Councils therefore now have the flexibility to increase the precept by up to 3% in 2017/18.

When the announcement was made, the public consultation had already been launched and had received 10⁴ completed responses. In order to gather views on the new announcement:

- The public consultation was updated with additional questions to reflect the Government's additional social care precept flexibility;
- The Citizens' Panel questionnaire had not been mailed out when the announcement was made; the additional questions were therefore added to the Citizens' Panel questionnaires in time for the Citizens' Panel mail out.

5.7.11 As the new information could have impacted how residents responded to the public consultation, the findings prior to the 15 December 2016 announcement

³ The Citizens' Panel is currently made up of 2,056 Barnet residents, selected to be representative of the adult population of the borough in terms of ward, age, gender, ethnicity, housing tenure, faith and disability

⁴ There was 1 online questionnaire where the respondent skipped all the questions. This has now been removed from the data set.

and the findings to the updated public consultation after 15 December 2016 have been reported on separately throughout this report.

Response to the consultation:

5.7.12A total of 783 questionnaires have been completed:

- 10⁴ questionnaires were completed by the general public consultation prior to the Government's announcement on 15 December;
- 81 questionnaires were completed by the general public consultation after the Government's announcement on 15 December;
- 692 questionnaires were completed by the Citizens' Panel after the Government's announcement on 15 December.

The findings have been reported in order of the largest sample size: Citizens' Panel (692), the updated consultation after 15 December announcement (81), and then the consultation prior to the December announcement (10).

5.7.13 There were also four written responses which did not answer the questions included in the public consultation questionnaire. The written responses were from:

- One member of the general public (email response);
- Three businesses (one written letter and two email responses).

These responses have been reported on separately and further details are provided in Appendix G.

Response Profile

5.7.14 The Citizens' Panel response was weighted to ensure the achieved sample was representative of the borough's population. More information on the Citizens' Panel methodology can be found in Appendix G.

5.7.15 Due to low completion rate of the diversity monitoring questions to the general public consultations, the response cannot be compared to the borough's population in its entirety and it is therefore difficult to say how representative it was of the borough's population.

5.7.16 It is also important to note that the consultation methods differ and their findings cannot be reported in a single result. For this reason the findings have been reported on separately, so that comparisons can be made between the much larger representative sample from the Citizens' Panel and the open general public consultations. For more information on how the results have been reported and interpreted please refer to Appendix G.

Key findings are summarised below:

Council Tax – views on options for Council Tax increase in 2017/18

5.7.17 The Citizens' Panel and the online general public consultations were asked their views on a series of options for Council Tax increases next year.

5.7.18 It should be noted that only those respondents who either support or oppose the options for Council Tax next year have only been included in this summary report. The full findings of who answered 'neither agree or disagree' or 'don't know' can be found in Appendix G.

5.7.19 Throughout the findings the base size may vary from question to question as respondents did not all provide a response to every question.

Social Care Precept Council Tax:

The proposal to apply a further 2% social care precept increase in 2017/18

5.7.20 Overall, the majority of both the Citizens' Panel members (65%), and the majority of general public respondents responding to the updated consultation after 15 December (62%, 50 out of 81 respondents), support the proposal to applying a further 2% social care precept next year.

5.7.21 There was a larger majority supporting this proposal by those responding to the general public consultation prior to the Government's announcement on 15 December. All 9 respondents who answered the question supported this proposal, with 8 out of 9 (89%) strongly supporting it.

Applying a full 3% social care precept increase to Council Tax bills in 2017/18

5.7.22 Half (48%) of the Citizens' Panel support applying the Government's new proposal that allows councils to apply a further 1% increase on social care precepts – 3% in total

5.7.23 41% of the Citizens' Panel opposes applying the Government's new proposal that allows councils to apply a further 1% increase on social care precept.

5.7.24 In terms of the updated public consultation after the 15 December 2016 announcement, nearly three fifths (58%, 44 out of 76 respondents) support a full 3% social care precept increase to Council Tax bills in Barnet next year, and 40% (30 out of 76) oppose the proposal.

5.7.25 This question was not asked of the general public consultation prior to the Government's announcement on 15 December.

General Council Tax

Applying an additional 1.99% increase to general Council Tax on top of the planned 2% social care precept in 2017/18

5.7.26 Just over a third of the Citizens' Panel (36%) support an additional increase on general Council Tax of 1.99% on top of the proposed 2% social care precept. Nearly three fifths (58%) of the panel oppose this increase.

5.7.27 Almost three fifths (57%, 41 out of 72 respondents) of those responding to the updated general public consultation after the Government announcement on 15 December 2016 support a 1.99% increase in the general Council Tax on top of the proposed 2% social care precept increase next year. Two fifths (41%, 29 out of 72 respondents) oppose this increase.

5.7.28 7 out of 8 respondents of those responding to the general budget consultation prior to the Government announcement on 15 December supported a 1.99% increase in the general Council Tax on top of the proposed 2% social care precept. 1 respondent opposed this increase.

Applying an additional 1.99% increase to general Council Tax on top of a 3% social care precept increase in 2017/18

5.7.29 A quarter (25%) of the Citizens Panel support a 1.99% increase in the general Council Tax on top of a 3% social care precept increase next year. Nearly two thirds (64%) oppose this type of increase.

5.7.30 Half (51%, 36 out of 71 respondents) of those responding to the updated general public consultation support a 1.99% increase in the general Council Tax on top of a 3% social care precept increase next year, and just under half of the sample oppose this increase (45%, 32 out of 71 respondents).

5.7.31 This question was not asked of the general public consultation prior to the Government's announcement on 15 December.

Type of reasons why respondents said they support or oppose these Council Tax increases

Reasons why respondents support a social care precept increase

5.7.32 The most frequently mentioned reasons for support of a social care precept increase was that respondents regard social care as being underfunded, followed by respondents indicating that they felt the increase seems acceptable/fair; recognition that we must support the elderly and the vulnerable; and recognition that we have an ageing population. Some also added the caveat that the money must be ring-fenced.

Reasons why respondents oppose a social care precept increase

5.7.33 The most frequently mentioned reasons why respondents oppose a social care precept was around affordability; there was also a particular reference to pensioners not being able to afford an increase.

5.7.34 Other frequently mentioned reasons were that Council Tax is already too high; that the council still needs to cut more waste, for example overheads and executive pay; that the Government should pay more; the effect of lower increases should be monitored first; and funding for other services was needed.

Reasons why respondents support an additional 1.99% increase to general Council Tax on top of a 2% or 3% social care precept

5.7.35 The reasons why respondents support an additional 1.99% increase to general Council Tax on top of a social care precept were very similar to the reasons for the support of a social care precept.

5.7.36 The most frequently mentioned reason why respondents support an additional 1.99% increase to general Council Tax on top of the social care precept was again because respondents regard social care as being underfunded. Other frequently mentioned reasons include: it is an acceptable increase; recognition that there is a need to support the vulnerable; other services need an increase in funding; and we need to all accept responsibility and share the cost. Many respondents also mentioned they support but added the caveat they will need to see where the extra money is being spent.

Reasons why respondents oppose an additional 1.99% increase to general Council Tax on top of a 2% or 3% social care precept

5.7.37 Again the reasons why respondents oppose an additional 1.99% increase to general Council Tax on top of a social care precept were very similar to the reasons for opposing a social care precept.

5.7.38 The most frequently mentioned reasons why respondents oppose an additional 1.99% increase to general Council Tax on top of a social care precept was the increase was just too high and concerns about affordability; there was again a particular reference to pensioners not being able to afford an increase. Answers also included: the council still needs to cut more waste; and the need to monitor the effect of lower increases first.

Analysis of demographic sub-groups who are significantly more likely to support or oppose the different type of Council Tax increases

5.7.39 The demographics of the Citizens' Panel have been analysed to identify any sub-groups which have a statistically significant different response to the overall response. The sample sizes of the two public consultations are too small to draw any significant conclusions in terms of demographics.

In terms of the Citizens' Panel there are two main demographic sub-groups that stand out in regards to their responses:

5.7.40 The Hendon Constituency responses are statistically significantly different across each of the four options for Council Tax compared to the overall response. They are **less likely to support** the 2% and 3% social care precept increase. They are also **more likely to oppose** the proposed 2% social care precept plus 1.99% and **more likely to oppose** the proposed 3% social care precept plus 1.99%. To summarise, they were not supportive of any Council Tax increase.

5.7.41 Users of Housing Services are also more likely to oppose any increase in the social care precept or general Council Tax and less likely to support a further 2% social care precept.

5.7.42 There are also other demographic sub-groups whose responses are statistically significantly different from the overall response in terms of whether they support or oppose the different options for Council Tax increases next year. However the differences in these sub-groups did not appear across all four options. Full details can be found in Appendix G.

Overall budget and savings for 2017/18 – online general public consultations only

5.7.43 The Citizens' Panel were not asked questions on the overall budget and saving proposals for 2017/18. These were only asked of the general public.

5.7.44 Respondents were asked if they had any comments to make on the overall budget, in particular on how the 2017/18 proposed savings have been allocated across the Theme Committees:

- 25 out of 81 respondents who took part in the updated public consultation after 15 December gave comments on the overall budget
- 1 out of 10 respondents who took part in the consultation prior to 15 December gave comments.

5.7.45 The four most frequently most mentioned comments were: concerns about a Council Tax increase and its affordability (6%, 5 out of 81 respondents); agreement that the balance across the themes and savings are reasonable (5%, 4 out of 81 respondents); concerns about the Library savings; and concerns about reduced spending on children and education (5%, 4 out of 81 respondents).

5.7.46 The 1 respondent who gave a comment to the consultation prior to 15 December did not mention the aforementioned, and instead felt the council should ensure they protect adult social care and children's social care.

Theme Committee savings proposals 2017/18 – online general public consultation only

5.7.47 The Citizens' Panel were also not asked the questions on the Theme Committee savings proposals for 2017/18. These were only asked of the general public consultation. Respondents were asked the following questions on the saving proposals within each Theme Committee for 2017/18:

- Do you have any comments to make about the savings being proposed within this committee's budget for 2017/18?
- Overall, to what extent do you agree or disagree with the savings that have been proposed within this committee's budget for 2017/18?
- If you disagree, please give reasons for your answer;
- If you disagree, do you have any alternative suggestions for where the council could make these savings or generate income?

5.7.48 This report provides the headline findings on the extent to which respondents agree or disagree with the savings proposed within each committee.

5.7.49 Detailed analysis on the other open-ended questions on each committee is provided in Appendix G. Sample sizes are small for these particular questions but it is recommended that Commissioning Directors consider these responses in detail when implementing their savings.

Theme Committee	Consultation Findings ⁵
Policy and Resources	<p>Opinion was mixed on the savings proposals within this committee, with no clear majority agreeing or disagreeing. 32% (12 out of 37 respondents) responding to the updated general public consultation after 15 December agree with the savings proposals. 30% (11 out of 37 respondents) disagree, and the remainder neither agree nor disagree 22% (8 out of 37) or did not know 16% (6 out of 37).</p> <p>2 out of 6 of the general public consultation, prior to 15 December, agree with the savings proposals. 2 out of 6 disagree, and 2 out of 6 neither agree nor disagree.</p>
Adults and Safeguarding	<p>Slightly more respondents disagree rather than agree with the proposed savings within the Adults and Safeguarding Committee. 30% (7 out of 23 respondents) responding to the updated general public consultation, agree with the savings proposals within the Adults and Safeguarding Committee. 39% (9 out of 23 respondents) disagree, and the remainder neither agree nor disagree 26% (6 out of 23), or don't know 4% (1 out of 23).</p> <p>2 out of 4 of the general public consultation, prior to 15 December, agree with the savings proposals within the Adults and Safeguarding Committee and 2 out of 4 disagree.</p>
Children, Education, Libraries and Safeguarding	<p>Respondents are more likely to disagree with the proposed savings within the Children, Education, Libraries and Safeguarding Committee rather than agree. 23% (9 out of 40 respondents) responding to the updated general public consultation agree with these savings proposals. Half of respondents (50%, 20 out of 40 respondents) disagree. The remainder neither agree nor disagree 13% (5 out of 40) or don't know 15% (6 out of 40).</p> <p>1 out of 7 responding to the general public</p>

⁵ Where percentages do not add up to 100 this is due to rounding.

Theme Committee	Consultation Findings ⁵
	consultation, prior to 15 December, agree with the savings proposals within the Children, Education, Libraries and Safeguarding Committee, 5 out of 7 disagree and 1 respondent neither agrees nor disagrees.
Environment	<p>In Environment Committee, respondents are more likely to agree with the proposed savings rather than disagree. Half of respondents (50%, 18 out of 36 respondents), responding to the updated general public consultation, agree with the savings proposals within the Environment Committee compared to 33% (12 out of 36 respondents) who disagree. The remainder neither agree nor disagree (17%, 6 out of 36).</p> <p>4 out of 5, responding to the general public consultation, prior to 15 December, agree with the savings proposals within the Environment Committee and 1 out of 5 disagree.</p>
Assets, Regeneration and Growth	<p>As with Environment Committee, more respondents agree with the proposed savings within Assets, Regeneration and Growth than disagree. Just under half agree (48%, 10 out of 21 respondents), responding to the updated general public consultation, with these savings proposals. 38% (8 out of 21 respondents) disagree and the remainder neither agree nor disagree (14%, 3 out of 21).</p> <p>2 out of 3, responding to the general public consultation prior to 15 December, agree with the savings proposals within the Assets, Regeneration and Growth Committee and 1 out of 3 disagree.</p>
Community Leadership	<p>Opinion on Community Leadership Committee savings were slightly more mixed within this committee. Slightly more respondents agree with the proposed savings within this committee than disagree. 37% (7 out of 19 respondents) responding to the updated general public consultation agree with the savings proposals within this committee, whereas 27% (5 out of 19 respondents) disagree and 37% (7 out of 19 respondents) neither agree nor disagree.</p> <p>1 out of 2, responding to the general public consultation, prior to 15 December, agree with the savings proposals within the Community Leadership Committee, and 1 out of 2 neither agree nor</p>

Theme Committee	Consultation Findings ⁵
	disagree.
Housing	<p>More respondents disagree with the proposal not to make savings in this committee rather than agree. 35% (8 out of 23 respondents), responding to the updated general public consultation, agree with the decision not to make any savings in the Housing Committee. However half, (48%, 11 out of 23 respondents) disagree and 17% (4 out of 23 respondents) neither agree nor disagree.</p> <p>1 out of 2, responding to the general public consultation, prior to 15 December, agree with the decision not to make any savings within the Housing Committee, and 1 out of 2 disagree.</p>

5.8 Insight

- 5.8.1 The Adults and Safeguarding and Children's, Education, Libraries and Safeguarding proposals have been developed using the Joint Strategic Needs Assessment (JSNA) which outlines the current and projected needs of the borough's population.
- 5.8.2 All the proposals have used evidence of best practice and guidance (such as NICE guidance), where available and relevant, to develop their initiatives.

6. BACKGROUND PAPERS

COMMITTEE	ITEM & DECISION	LINK
Housing Committee 8 February 2017	Decision item 10 - Annual Review of Council Dwelling Rents and Service Charges for 2017/18	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&MId=8630
Policy and Resources Committee 1 December 2016	Decision item 9 – Business Planning Medium Term Financial Strategy 2017 – 2020 and draft budget 2017/18	http://committeepapers.barnet.gov.uk/ieListDocuments.aspx?CId=692&MId=8731&Ver=4
Adults Theme Committee 10 November 2016	Decision item 11 – Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=698&MId=8674&Ver=4
Assets & Regeneration Theme Committee 28 November 2016	Decision item 7 – Business Planning 2017/18 to 2019/20	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9082&Ver=4
Children, Education	Decision item 9 –	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&MId=8630

COMMITTEE	ITEM & DECISION	LINK
& Libraries Theme Committee 17 November 2016	Business Planning	o.uk/ieListDocuments.aspx?CId=697&MId=8687&Ver=4
Environment Theme Committee 8 November 2016	Decision item 9 – Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=695&MId=8591&Ver=4
Policy and Resources Committee 28 June 2016	Decision item 8 – Business Planning 2017 - 2020	http://committeepapers.barnet.gov.uk/ieListDocuments.aspx?CId=692&MId=8728&Ver=4
Policy and Resources Committee 16 February 2016	Decision item 7 – Business Planning 2016 - 2020	http://committeepapers.barnet.gov.uk/ieListDocuments.aspx?CId=692&MId=8351&Ver=4
Policy and Resources Committee 16 December 2015	Decision item 7 – Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8349&Ver=4
Assets, Regeneration and Growth Committee 30 November 2015	Decision Item 15 – Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8311&Ver=4
Children's Education, Libraries and Safeguarding Committee 18 November 2015	Decision Item 8 – Annual Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=697&MId=8259&Ver=4
Adults & Safeguarding Committee 12 November 2015	Decision Item 7 – Business Planning 2016/17	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=698&MId=8362&Ver=4
Environment Committee 10 November 2015	Decision Item 7 – Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=695&MId=8334&Ver=4
Housing Committee 19 October 2015	Decision Item 11 – Housing Revenue Account (HRA) Business Plan	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&MId=8268&Ver=4
Policy and Resources Committee 9 July 2015	Decision Item 10 - Business Planning – 2015/16- 2019/20	http://barnet.moderngov.co.uk/documents/s24390/Finance%20and%20Business%20Planning%20Medium%20Term%20Financial%20Strategy%20201617%20to%20201920.pdf

