

	<h2>Assets, Regeneration and Growth Committee</h2> <h3>27th November 2017</h3>
Title	Business Planning: 2018/19 – 2019/20
Report of	Councillor Daniel Thomas
Wards	All
Status	Public
Urgent	No
Key	Yes
Enclosures	Appendix A: ARG Committee Savings Proposals
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Summary

On the 15th December 2014 the Assets, Regeneration and Growth Committee approved a five-year Commissioning Plan, and indicative proposals for achieving £10.1 million of savings by 2019/20. The Commissioning Plan and Savings programme set out the strategic priorities, commissioning intentions and indicative budget proposals of the Assets, Regeneration and Growth Committee up to 2019/20. A Business Planning report was considered by Policy and Resources Committee on the 27 June 2017 outlining the council's updated Medium Term Financial Strategy (MTFS) to 2020. The paper set out the proposed revenue and capital budget amendments for 2017/18 as well as setting out the previously agreed savings requirements across Theme Committees for the period 2018-20. Policy and Resources Committee asked Theme Committees to confirm delivery of savings against plans agreed at the March 2017 Council meeting. The overall targets for Theme Committees remains the same but Policy and Resources Committee have asked that if any proposals are now either unachievable or will not deliver on their original estimate, they must be supplemented by bringing forward new proposals to meet the gap. The budget projections through to 2020 are indicative figures. The budget will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of Council budget setting, and therefore could be subject to change. The savings target for the Assets, Regeneration and Growth Committee for 2018/19 to 2019/2020 is £4.663 million.

Recommendations

That Assets, Regeneration and Growth Committee:

- 1. Approve the refreshed revenue savings programme in Appendix A.**
- 2. Recommends the summary MTFS position displayed at paragraph 1.9 to the Policy and Resources Committee.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The past six years have been challenging for all local authorities; the combination of reduced public spending and increasing demand meant that Barnet needed to save £75 million between 2011 and 2015, just over a quarter of its budget. As far as possible, the council sought to meet this challenge through savings to the 'back office' to protect our front-line services. During this time of significant challenge, the council has seen levels of resident satisfaction remain high both in terms of satisfaction with the council as well as with a range of local services. The latest Residents' Perception Survey (Spring 2017) indicates that 82 per cent of residents are satisfied with Barnet as a place to live and 73 per cent feel that the council is doing a good job.
- 1.2 In March 2017, the council set a Medium Term Financial Strategy (MTFS) covering the period 2017 – 2020. The MTFS for this period identified a total budget gap of £53.9 million with savings identified from theme committees to meet this gap. To put this in context, the net annual expenditure requirement, before government grant and council tax, is £291 million. The business planning process works on an annual cycle to confirm the council's budget each year. The council typically re-assesses the assumptions underpinning the MTFS once a year through a report to Policy and Resources Committee (P&R) during the summer, ahead of the draft budget for the year ahead being presented in the autumn. The final budget is presented to P&R and Full Council for agreement in the spring. Theme Committees are asked to confirm delivery of savings against plans agreed at the March 2017 Council meeting. The overall targets for Theme Committees remains the same and any proposals that are not either unachievable or will not deliver on their original estimate will need to be supplemented by bringing forward new proposals to meet the gap.
- 1.3 This report recognises that the current MTFS runs until 2020 and beyond that there is still a great deal of uncertainty around the local government funding and any Local Government finance system will no doubt place increasing emphasis on the council being more self-sufficient. This will be compounded by the increasing complexity of cases in demand led services, changes in demographics and increases in the cost of services. The current MTFS also relies on one-off funding from reserves to balance the budget until 2020; which will need to be met from more sustainable funding – for example, through increases to the Council Tax base due to the regeneration in the west of the borough.

- 1.4 However, in spite of these challenges, there are significant opportunities for Barnet. Barnet has adopted a long term view of finance and over the past six years has been able to rise to the significant challenge of reduced funding from central government coupled with an increase in demographic pressures, saving over £112 million between 2011 and 2016 without negatively impacting frontline services. With demand on local services continuing to increase and many local authorities having to generate more income locally, the next few years will present further financial challenges, alongside the savings of £53.9m to be achieved by 2020. However, this is also an opportunity for Barnet to do things differently, and better.
- 1.5 Barnet's five strategic priorities that are set out in the council's Corporate Plan are; delivering quality services; responsible growth, regeneration and investment; building resilience in residents and managing demand; transforming local services; and promoting community engagement, facilitating independence and building community capacity. The priority of delivering quality services is new and was introduced last year. The council has ambitious plans for the next financial year and this priority is around ensuring that despite the challenges faced, the quality of the local services is not compromised. This means getting the basics right and focussing on the services that matter most to our residents, such as keeping our neighbourhoods clean and safe and ensuring our roads and pavements are well looked after. We will also provide additional support to our most vulnerable residents to ensure that all of our residents are able to stay happy, healthy and independent, and enjoy a good quality of life.
- 1.6 The council actively mainstreams equalities into its business planning process and all savings proposals are in line with our Strategic Equalities Objective.

Assets, Regeneration and Growth Committee Revenue Savings Programme

- 1.7 In December 2014, Assets, Regeneration and Growth Committee approved a five-year commissioning plan and indicative proposals for achieving savings by 2019/20. The commissioning plan and savings programme set out the strategic priorities, commissioning intentions, and indicative savings proposals up to 2019/20.
- 1.8 Appendix A sets out the revised savings proposals for Assets, Regeneration and Growth Committee up to 2019/20.
- 1.9 The tables below illustrate the differences between the previous programme of revenue savings and the recommended new programme that this report puts forward:

	Savings (£,000)		
	2018/19	2019/20	Total
Original target	4,995	2,088	7,083
New target	2,355	2,308	4,663
Gap / (Surplus)	2,640	(220)	2,420

1.10 The key change in the savings proposals for the period is in relation to the increase in Council Tax base (G1) through new housing development. Housing delivery has been slower than originally forecast. The delay in Council Tax growth in 2018/19 will be achieved in 2019/20.

1.11 Against the original proposals there is now a budget pressure of £2.420m which will be considered as part balancing the overall budget at Policy and Resources committee.

2. REASONS FOR RECOMMENDATIONS

2.1 It is recommended that Assets, Regeneration and Growth Committee approve, for referral to Policy and Resources Committee, the refreshed revenue savings programme in Appendix A. This sets out the indicative proposals for how the revenue savings will be achieved and how they are aligned with the Assets, Regeneration and Growth Committee priorities.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 The alternative option is not to approve the savings programme. This, however, is not considered to be good practice and may expose the council to the risk of not achieving the savings targets.

4. POST DECISION IMPLEMENTATION

4.1 These proposals will be considered by the Policy and Resources Committee on 5 December 2017 and will form part of the delivery of the Council's Medium Term Financial Strategy. Public consultation on the Council's Medium Term Financial strategy will commence in December.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Corporate Plan 2015 – 2020 is based on the core principles of fairness, responsibility, and opportunity to make sure Barnet is a place:

- Of opportunity, where people can enhance their quality of life
- Where people are helped to help themselves, recognising that prevention is better than cure
- Where responsibility is shared, fairly
- Where services are delivered efficiently to get value for money for the taxpayer.

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

Finance and Value for Money

5.2.1 The review of the revenue savings programme ensures both value for money and that the medium-term financial strategy targets are met.

5.2.2 The budget pressure of £2.420m will be considered as part of balancing the overall budget at Policy & Resources committee.

Procurement

5.2.3 Individual projects will be procured as needed, in line with the council's standing orders.

Staffing

5.2.4 Any impact of individual projects on staff will be assessed as those projects are initiated.

Property, IT and Sustainability

5.2.5 There are no property, IT or sustainability implications at this time.

5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.4 Legal and Constitutional References

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

5.4.2 Assets, Regeneration and Growth Committee is approving these proposals. These proposals will then be referred to Policy and Resources Committee so that Council can approve the budget envelope and set the Council Tax. There will be contingencies within the budget envelope so that decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.

5.4.3 The Council's Constitution Article 7.5 Responsibility for Functions sets out the terms of reference of the Assets, Regeneration and Growth Committee. This includes:

- To submit to the Policy and Resources Committee proposals relating to the Committee's budget for the following year, in accordance with the budget timetable
- To make recommendations to Policy and Resources Committee on issues relating to the budget for the committee; including virements, or underspends and overspends on the budget. No decisions which result in

amendments to the agreed budget may be made by Assets, Regeneration and Growth Committee unless, and until, the amendment has been agreed by Policy and Resources Committee.

5.5 Risk Management

5.5.1 The council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. Risk management information is reported quarterly to the council's internal officer Strategic Commissioning Board and to Performance and Contract Management Committee and is reflected, as appropriate, throughout the annual business planning process.

5.5.2 Risks associated with each individual saving proposal will be outlined within the individual committee report as each proposal is brought forward for the committee to consider.

5.6 Equalities and Diversity

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

5.6.2 The Public Sector Equality duty is set out in s149 of the Equality Act 2010: A public authority must, in the exercise of its functions, have due regard to the need to:

(a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010

(b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

(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

(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, to the need to:

- (a) Tackle prejudice
- (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
- Sexual orientation

5.6.3 As individual proposals are brought forward for consideration by the Assets, Regeneration and Growth Committee, each will be accompanied by an assessment of the equalities considerations, setting out any potential impact of the proposal and mitigating action. The equalities impact of all other proposals will be reviewed as proposals develop and will inform the final consideration of the savings proposals.

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

5.6.5 The revenue savings sheet shown as Appendix A currently indicates current assessments which have been completed. As the full impact of these changes is understood, each initiative will undertake to work with those affected and consider options available to them to help mitigate any adverse impact. Where necessary proposals will not be implemented or agreed until members have fully considered the equality impacts and responses to any consultation.

5.6.6 All human resources implications will be managed in accordance with the council's Managing Organisational Change policy that supports the council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.

5.7 Consultation and Engagement

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

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

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

- Comments are genuinely invited at the formative stage
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response
- There is adequate time given to the consultees to consider the proposals
- There is a mechanism for feeding back the comments and those comments are considered 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
- Where relevant and appropriate, the consultation is clear on the reasons why and extent to which, alternatives and discarded options have been discarded. The more intrusive the decision, the more likely it is to attract a higher level of procedural fairness.

5.7.3 Public consultation on the overall budget for 2018/19 will commence on 6th December 2017, following the Policy and Resources Committee on 5th December 2017 before the final savings are recommended to Full Council on the 6th March 2018.

5.7.4 The public consultation will give residents an opportunity to comment on the 2018/19 overall budget and the Asset, Regeneration and Growth Committee's individual proposals to deliver the 2018/19 savings identified in this report,

before final decisions are formalised in the Council's annual budget.

- 5.7.5 In terms of service specific consultations, the Council has a duty to consult with residents and service users in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties.
- 5.7.6 No separate service specific consultations have been necessary for the Asset, Regeneration and Growth Committee.

6. BACKGROUND PAPERS

- 6.1 Policy and Resources Committee, 10 June 2014, Decision Item 6 – Corporate Plan and Medium Term Financial Strategy 2015/16 to 2019/20
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7856&Ver=4>
- 6.2 Assets, Regeneration and Growth Committee, 15 December 2014, Decision Item 10 – Commissioning Plan
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4>
- 6.3 Policy and Resources Committee, 9 July 2015, Decision Item 10 – Business Planning 2015/16 – 2019/20
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8346&Ver=4>
- 6.4 Assets, Regeneration and Growth Committee, 30 November 2015 Decision Item 15 – Business Planning 2016 – 2020
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8311&Ver=4>
- 6.5 Policy and Resources Committee, 16 December 2015 Decision Item 7 – Business Planning – Medium Term Financial Strategy 2016-2020
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8349&Ver=4>
- 6.8 Assets, Regeneration and Growth Committee, 28 November 2016, Decision Item 7 – Business Planning 2017/18 – 2019/20
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9082&Ver=4>
- 6.9 Policy and Resources Committee, 1 December 2016, Decision Item 9 – Business Planning 2017/18 – 2019/20
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8731&Ver=4>