

	<p align="center">Children, Education and Safeguarding Committee 30 November 2020</p>
<p align="center">Title</p>	<p align="center">Business Planning 2021-25</p>
<p align="center">Report of</p>	<p>Chairman of the Committee- Councillor David Longstaff</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Urgent</p>	<p>No</p>
<p align="center">Key</p>	<p>Yes</p>
<p align="center">Enclosures</p>	<p>Appendix A – Medium Term Financial Strategy (MTFS) and Savings Proposals for Committee</p>
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<h3>Summary</h3>
<p>A Business Planning report was agreed by Policy and Resources Committee on 24th September 2020 outlining the council’s updated Medium-Term Financial Strategy (MTFS) to 2024/25 and the future financial challenges facing the council.</p> <p>P&R Committee also agreed the process whereby Theme Committees will consider the response to this challenge in November, by considering savings proposals to balance the council’s budget (the same process as used in previous years). The paper set out the estimated savings requirements across Theme Committees for the period 2020-25.</p> <p>Since then, and taking account of the emerging national and local situation with the Covid pandemic, work has continued on the MTFS as a whole and concentrating specifically on the budget for 2021/22.</p>

The savings for 2021/22 approved last year have been reviewed for deliverability now and any implications for future years. The Business Plan has been revised to reflect the consideration of previous savings and additional savings which this report identifies.

Following the review of the savings agreed last year and additional savings which are now possible this report asks the Committee to agree to the revenue savings proposals in Appendix A and recommend them to Policy and Resources Committee in December.

The outcomes of all theme committee discussions will go forward as recommendations to Policy and Resources Committee in December 2020. 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.

Officers Recommendations

1. That the Children, Education and Safeguarding Committee consider the MTFS proposals which relate to the committee as set out in Appendix A and, having considered the initial equalities impacts, refer these proposals to Policy and Resources Committee for decision.

1. WHY THIS REPORT IS NEEDED

1.1 Executive Summary

1.1.1 This report is required as part of the council's annual business planning process.

1.1.2 The Committee's approval is requested for:

- Savings proposals within its authority so they can then be recommended to Policy and Resources (P&R) Committee to set a balanced budget for 2021/22 and contribute to the MTFS savings 2021/22 – 2022/25;

2. STRATEGIC CONTEXT

2.1 Background to 2021/22 Business Planning

2.1.1 The council has a statutory duty to set a balanced budget for the coming financial year and uses the Medium-Term Financial Strategy (MTFS) to estimate the budget position for the following three years. Savings proposals for future years should be identified via an ongoing process and proposed to Committee. Savings proposals for all years are proposed through Theme committees, then P&R Committee, and the Full Council in March to be approved.

2.1.2 Between 2010/11 to 2020/21, the council successfully identified savings proposals totalling c.£191m. In early March 2020, Full Council were presented and approved an estimated budget gap of £36.830 between 2021/22 to 2024/25. Accompanying this were savings proposals of £17.572m.

2.2 Approach to MTFS 2021-25

2.2.1 In June 2020, P&R Committee were presented with an update on the impacts of Covid and an introduction to the 2021/22 to 2024/25 MTFS process. A more detailed update on the MTFS was presented to September P&R committee with a revised budget gap and proposed savings identified to date. That report also included a recommendation for saving proposals to be presented to the relevant Theme committees in November for consideration.

2.2.2 Due to the challenges facing the council's services arising from the pandemic, and the uncertainty in the future trajectory of key budget areas (e.g. adult social care demand, on and off street parking, and the local economic outlook) a modified approach for the MTFS for 2021/22 to 2024/25 was proposed in October 2020. This will:

- a. Defer decisions on long-term funding for service pressures in 2021/22 until the likely future requirement is known with more certainty. Short term funding sources can be used (such as appropriate earmarked resources) until longer-term service needs are clearer.
- b. The most severe pressure at present time is the continued reduction in parking income;
- c. Prioritise finalising savings proposals to balance the revised 2021/22 budget gap;
- d. Continue, where possible, to identify and progress savings initiatives for 2022/23 to 2024/25.

2.2.3 In a situation of considerable uncertainty, this approach will prioritise balancing the 2021/22 budget with robust savings proposals without losing sight of the medium term financial outlook to 2024/25.

2.3 MTFS November Summary

2.3.1 As at November, the estimated budget gap between 2021/22 to 2024/25 is now £52.984m. Taking this revised budget gap with proposed savings to date, the shortfall to balancing 2021/22 and 2022/23 to 2024/25 is set out in the table below.

MTFS Summary	2021/22 £'m	2022/23 £'m	2023/24 £'m	2024/25 £'m	Total £'m
September Policy and Resources Budget	27.272	18.017	9.961	6.035	61.285

Gap					
Further revisions to the budget and service pressures since September	(12.192)	1.410	0.086	2.395	(8.301)
Revised Budget Gap at November	15.080	19.427	10.047	8.430	52.984
Savings Identified to date	(11.190)	(8.748)	(9.646)	(7.718)	(37.302)
Shortfall / (Surplus) to Balanced Budget	3.890	10.679	0.401	0.712	15.682

2.4 Committee Context

2.4.1 The vision for this committee, which is set out in the Children and Young People's Plan, is to make Barnet the most family friendly borough in London—where children, young people, and their families are safe and healthy, are informed and responsible, and feel listened to. At the core of this is a resilience-based model of practice which involves identifying issues early and supporting families to build their resilience, underpinned by high quality social work.

2.4.2 Our safeguarding arrangements for vulnerable children and young people will be effective and robust, with greater interface between services to provide a cohesive approach. We strive for schools in Barnet to remain among the best in the country, with enough early years and school places for all and children achieving the best they can, with attainment and progress of pupils in the top 10% nationally, and the progress of the most disadvantaged and vulnerable pupils accelerated.

2.4.3 The challenging financial climate in which the Service is operating requires a focus on ensuring that resources are deployed effectively to deliver the key outcomes and priorities for the Committee. It is critical that any savings that are proposed are not going to impact on the improvement to the quality of children's services, which could undermine the progress that has been and continues to be made.

2.4.4 Future trends:

- The population of children and young people in Barnet is estimated to grow by 3% between 2018 and 2025, when it is projected to reach 101,875.
- Projections suggest that by 2025, the population of children and young people in Colindale will be the highest of any ward, although the wards with the highest proportions of young people aged 0-19 years old in 2025 are projected to be: Golders Green (32%), Edgware (30%) and Burnt Oak (29%).

- The overall number of children and young people with SEN statements or Education, Health and Care Plans rose by 26% between 2014 and 2017 and is expected to rise by a further 20% between 2017 and 2025.
- Increased demand on mental health and wellbeing services due to COVID-19 with a 25% increase already seen in anxiety related presentations to Barnet Integrated Clinical Service (BICS) and KOOTH online counselling service for young people.
- Children have missed a significant part of their education which will impact on their social and emotional development as well as educational outcomes.
- Increase in young people that are not in education, employment and training as young people have been disproportionately affected by the impact of the pandemic on employment.

2.5 In year (2020/21) Management

2.5.1 This year has been an extraordinary year due to COVID which has presented a unique set of challenges both operationally and financially.

2.5.2 The budget forecast projections as at the end of September are based on information that is currently available from the service and shows a budget pressure of £4.417m.

2.5.3 However, within this, £3.721m relates to anticipated one off costs associated with COVID 19. This therefore leaves an underlying business as usual (BAU) pressure of £0.696m.

2.5.4 The COVID costs are anticipated to be non-recurrent costs. Of the £3.721m forecast as at the end of September, the main costs are:

- £1.519m additional suppliers' costs of which £1.219m relates to supplier relief as per government procurement policy note (PPN) 02
- £1.04m additional costs due to increasing demand of young adults due to placement breakdowns, block booking for surge demand and costs of children staying in more placements longer
- £0.444m additional home to school transport costs
- Various others make up the difference

2.5.5 Within the BAU budgetary pressure forecast are overspends on care leavers and 18-25. This is consistent with increasing demands and previous years spend. These are partially offset by additional income on the UASC (unaccompanied asylum seeker children) grant and savings on staffing. These are factored into the growth funding requirement and savings proposals outlined in this paper.

2.6 Children, Education and Safeguarding Committee savings

2.6.1 Table 1 below sets out the pressures that it has been recommended to Policy and Resources Committee should be funded because they are expected to either carry forward from the current financial year, or they are expected to occur next year.

TABLE 1- GROWTH/PRESSURES FUNDING

Description	21/22	22/23	23/24	24/25	Total
Demographics and complexity (placements and care leavers)	1,420	1,900	1,900	1,900	7,120
Apprenticeship Levy unachievable saving	130	0	0	0	130
Mental Health	200	0	0	0	200
1. Elective home education coordinator 2. Welfare benefit advisors	150	0	0	0	150
Placements for 18-25 year olds	300	300	300	300	1,200
School conditions surveys	350	0	0	0	350
Total	2,550	2,200	2,200	2,200	9,150

2.7 Children, Education and Safeguarding Committee savings

2.7.1 To help address the budget gap between 2021/22 and 2024/25, indicative savings proposals have been identified for the Children, Education and Safeguarding Committee. The committee are being asked to approve the savings programme for the next four years.

2.7.2 The full range of savings and/or income generation proposals within the Children, Education and Safeguarding Committee's area of responsibility can be seen in Appendix A.

2.7.3 It should be noted that future year (22/23 onwards) values are indicative at this stage and will be confirmed in the paper to this committee each year.

2.7.4 Savings with references CES 1 to CES 10 relate to savings previously approved by the committee that relate to years 2021/22 to 2024/25. Savings with references CES 11 onwards relate to the new savings proposals.

2.7.5 Where possible, the approach has been to propose savings through bringing in additional income and through back-office savings rather than reducing services, which could impact on the improvement to the quality of children's services and undermine the progress that has been made.

2.7.6 These savings total £9.164m of which £2.775m relates to 2021/22.

2.8 Fees & Charges

2.8.1 There are no proposed changes to fees and charges in 21/22.

2.9 Recovery Plan

2.9.1 An update on recovery planning is included within the Family Services Quarterly Report.

3. REASONS FOR RECOMMENDATIONS

3.1 Local Government continues to face significant reductions in funding and increased demand for services, as set out in the above context. These challenges require longer term, robust financial and strategic planning and the recommendations in this report support this.

3.2 By law, the council is required to set a balanced budget. These proposals are the best way of doing that by meeting financial requirement and delivering outcomes and ambitions for Barnet.

4. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

4.1 The alternative option is not to approve the MTFS. This, however, is not considered to be good practice and may expose the council to the risk of not achieving the savings targets or being able to set a balanced budget. There is a statutory requirement to set a balanced budget and submit budget returns to the Ministry of Housing, Communities and Local Government (MHCLG).

5. POST DECISION IMPLEMENTATION

5.1 If the Children, Education and Safeguarding Committee approves recommendations 1 made by this report, then the savings proposals will be referred to Policy and Resources Committee on 8th December 2020 as part of the council's Medium-Term Financial Strategy (MTFS). Public consultation on the MTFS will commence in December.

6. IMPLICATIONS OF DECISION

6.1 Corporate Priorities and Performance

6.1.1 This report supports the council's corporate priorities as expressed through the Corporate Plan for 2019-24 which sets out our vision and strategy for the next 5 years. This includes the **outcomes** we want to achieve for the borough, the **priorities** we will focus limited resources on, and our **approach** for how we will deliver this.

6.1.2 Our 3 outcomes for the borough focus on place, people and communities:

- a pleasant, well maintained borough that we protect and invest in
- our residents live happy, healthy, independent lives with the most vulnerable protected
- safe and strong communities where people get along well

6.1.3 The approach for delivering on this is underpinned by four strands; ensuring residents get a fair deal, maximising on opportunities, sharing responsibilities with the community and partners, and working effectively and efficiently.

6.1.4 The 5-year strategic priorities for this committee can be seen in appendix A, with the 19/20 delivery plan of these in Appendix B.

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

6.2.1 The Children, Education and Safeguarding Committee savings programme will enable the council to meet its savings target as set out in the MTFs. These budgets will be formally agreed each year, and individual proposals will be subject to appropriate consultation and equality impact assessments where necessary. For this reason, the proposals are subject to change.

6.3 Social Value

6.3.1 None applicable to this report, however the council must take into account the requirements of the Public Services (Social Value) Act 2012 to try to maximise the social and local economic value it derives from its procurement spend. The Barnet living wage is an example of where the council has considered its social value powers.

6.4 Legal and Constitutional References

6.4.1 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.

6.4.2 Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their council tax requirements in accordance with the prescribed requirements of that section. This requires consideration of the authority’s estimated revenue expenditure for the year in order to perform its functions, allowances for contingencies in accordance with proper practices, financial reserves and amounts required to be transferred from general fund to collection fund.

6.4.3 Local authorities owe a fiduciary duty to council tax payers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term, the need to strike a fair balance between the interests of council tax payers and ratepayers and the community’s interest in adequate and efficient services and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.

6.4.4 These savings proposals are to be referred to Policy and Resources Committee. They will then be subject to consultation and a cumulative equality impact assessment before being referred on to Council so that Council may set the Council Tax, being mindful of any equality impacts and consultation responses.

6.4.5 The Council's Constitution (Article 7, Article 7 – Committees, Forums, Working Groups and Partnerships) sets out the responsibilities of all council Committees. The responsibilities of the Children, Education and Safeguarding Committee can be found here: <https://barnet.moderngov.co.uk/documents/s60887/08Article7CommitteesForumsWorkingGroupsandPartnerships.doc.pdf>. Responsibilities include:

- 1) 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.
- 2) To submit to the Policy and Resources Committee proposals relating to the Committee's budget (including fees and charges) for the following year in accordance with the budget timetable.
- 3) 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 the Committee unless and until the amendment has been agreed by Policy and Resources Committee.
- 4) To receive reports on relevant performance information and risk on the services under the remit of the Committee.

6.4.6 The council's Financial Regulations can be found at: <https://barnet.moderngov.co.uk/documents/s60884/17FinancialRegulations.doc.pdf>

6.4.7 Some of the proposals, relate to savings resulting from operational decisions being made in a different way and are therefore estimated savings. The saving is therefore an indicative saving and its deliverability will be dependent on a number of factors. As part of the budget setting process, Policy and Resources Committee will consider the need for an appropriate contingency to cover any savings that are indicative and may not be met due to operational decisions. Some of the proposals in the MTFs relate to proposals that are at a very early stage. These proposals will be subject to further business planning and decision making to test whether they can be delivered and what the impact of such a proposal will be. These proposals will be considered in further detail during future business planning reports.

6.4.8 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).

6.5 Risk Management

6.5.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. The allocation of an amount to contingency is a step to mitigate the pressures that had yet to be quantified during the budget setting process.

6.5.2 The allocation of budgets from contingency seeks to mitigate financial risks which have materialised.

6.6 Equalities and Diversity

6.6.1 Equality and diversity issues are a mandatory consideration in the decision making of the council.

6.6.2 Decision makers should have due regard to the public sector equality duty in making their decisions. The Equality Act 2010 and the Public-Sector Equality Duty require elected Members to satisfy themselves that equality considerations are integrated into day-to-day business and that all proposals emerging from the business planning process have taken into consideration the impact, if any, on any protected group and what mitigating factors can be put in place. The equalities duties are continuing duties they are not duties to secure a particular outcome. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

6.6.3 A public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.6.4 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:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- 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;
- 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.

6.6.5 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.

- 6.6.6 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:
- Tackle prejudice, and
 - Promote understanding.
- 6.6.7 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
 - Marriage and Civil partnership
- 6.6.8 This is set out in the council's Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.
- 6.6.9 Progress against the performance measures we use is published on our website at:
www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity
- 6.6.10 Where there are changes to service delivery or changes to staff, these will impact on individuals in different ways. However, at each stage of the process, the council will conduct an equalities impact assessment (EIA) where appropriate to ensure that where **persons are** impacted, proper measures are considered to mitigate the effect as far as possible. Those affected by any changes resulting from any of the proposals will be engaged, as set out in Appendix C under 'Consultation'. Where necessary, proposals will not be implemented or agreed until members have fully considered the equality impacts and responses to any consultation.
- 6.6.11 The revenue savings sheet shown at Appendix A indicates that an equalities impact assessment has been carried out for transfer of the Education and Skills Service into the Barnet Education and Learning Service (BELS). The full Equality Impact Assessment was appended to the Delegated Powers Report: <https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7505> .It was considered that the chosen option of transferring the Education and Skills Service to a LACC would not have a negative impact on this group of staff. There were no redundancies and all terms and conditions, including their pensions, were protected through the TUPE transfer.

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

6.7 Corporate Parenting

6.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. The outcomes and priorities in the refreshed Corporate Plan, Barnet 2024, reflect the council's commitment to the Corporate Parenting duty to ensure the most vulnerable are protected and the needs of children are considered in everything that the council does. To this end, great attention has been paid to the needs of children in care and care leavers when approaching business planning, to ensure decisions are made through the lens of what a reasonable parent would do for their own child.

6.7.2 The Council, in setting its budget, has considered the Corporate Parenting Principles both in terms of savings and investment proposals. The Council proposals have sought to protect front-line social work and services to children in care and care leavers and in some cases, has invested in them.

6.8 Consultation and Engagement

6.8.1 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
- where the matter is so important that there is a legitimate expectation of consultation
- Where consultation is required to comply with other duties, for example Equality Act duties.

6.8.2 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.

6.8.3 The General Budget Consultation will be launched after December 2020 P & R and will last until late 2021. The exact dates are to be confirmed. This consultation will cover any proposals to increase council tax together with seeking views on the council's budget overall.

6.8.4 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 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. Service specific consultations will take place where necessary in line with timescales for any changes to be implemented.

6.8.5 If when council sets the budget envelope some service specific consultations have not been completed the Council will allow a contingency so that decision makers may make alternative decisions should there be undesirable equalities impacts.

6.8.6 Where appropriate, separate service specific consultations have already taken place for the 2021/22 savings and a link to the report presenting findings of the consultation is provided within the MTFs spreadsheet (Appendix A). There is one current consultation, which started on 2nd November, on a restructure of senior posts and business support within the Commissioning and Business Improvement Division.

6.9 **Insight**

6.9.1 None in the context of this report

7. **BACKGROUND PAPERS**

None