

	Community Leadership and Libraries Committee 6th October 2021
Title	Business Planning 2022-26
Report of	Chairman of the Community Leadership and Libraries Committee
Wards	All
Status	Public
Urgent	No
Key	Yes
Enclosures	Appendix A – Medium Term Financial Strategy (MTFS) and Savings Proposals for Committee Appendix B – Fees & Charges April 2021
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Summary

A Business Planning will be received by Policy and Resources Committee on 30 September 2021 outlining the council's updated Medium-Term Financial Strategy (MTFS) to 2025/26 and the future financial challenges facing the council.

Theme Committees will consider their response to this challenge, by considering savings proposals to secure a balanced council budget (the same process as used in previous years).

Work is ongoing to identify the impacts, both pandemic- and non-pandemic related, across the planning period. Given the high level of uncertainty in the MTFS period, particularly regarding 2022/23, 3 scenarios have been modelled. The central scenario estimates an overall budget gap of £16.2m, which may be reduced by £13.3m to £2.9m if proposed all savings are agreed.

This report asks the Committee to:

- agree to the revenue savings proposals attached and to note the service pressures identified. The outcomes of the revenue savings proposals and pressures identified will go forward as recommendations to Policy and Resources Committee in December 2021.
- delegate authority to the Chief officer in consultation with the Chief Finance officer to review Fees and charges. Amendments will return to Community Leadership and Libraries Communities Committee in January 2022, before approval at Policy and Resources Committee in February 2022.

Officers Recommendations

That Committee agree the revenue savings programme listed in Appendix A and recommend it to Policy and Resources Committee in December.

That Committee note the risks associated with these savings proposals. These risks relate both to impact on services and residents and deliverability of savings.

That Committee note the equalities impact assessments associated with these savings proposals.

That Committee agree delegate authority to chief officers to changes in fees and charges ahead of approval at February P&R.

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, to discuss and approve priorities for the Community Leadership and Libraries Committee for 2022/23 and also 2023/24 to 2025/26.

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 2022/23;
- Proposed delegated power to chief officers to review changes to Fees and Charges ahead of a return to this Committee for 2022/23, and approval and recommendation to P&R Committee.

2. STRATEGIC CONTEXT

2.1 Background to 2022/23 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 are identified and proposed to Committee. Savings proposals for all years are proposed through Theme committees, recommended to P&R Committee, and so on to Full Council in March to be approved.
- 2.1.2 Between 2010/11 to 2020/21, the council successfully identified savings averaging £17m per year.

2.2 Approach to MTFS 2021-25

- 2.2.1 In June 2021, P&R Committee were presented with an update on the impacts of Covid and an introduction to the 2022/23 to 2025/26 MTFS process. This set out that recurrent resources were not expected to grow significantly from 2021/22 to 2022/23. Service areas were therefore asked to prepare budgets for 2022/23 within a nominal 'cash limit', set at the level of the budget in 2021/22.
- 2.2.2 A more detailed update on the MTFS was presented to September P&R committee which highlighted the level of uncertainty being faced in the short term. This uncertainty is being driven by 3 factors – the level of service pressures, and whether they are short term or of longer duration; the level of government grant funding to be received; and whether there will be scope for a social care precept (SCP) in 2022/23.
- 2.2.3 Considering these variables highlighted that each of them could have considerable impact (a 2% SCP would yield c£4m; service pressures were initially estimated at £15m; and changes government grant, estimated at a loss of £2m per year, could be a loss or a gain of twice that). Accordingly, 3 scenarios were presented to September P&R committee, illustrating how these variables could lead to quite different outcomes, but also emphasising that the central scenario or base case was regarded as more likely and that it was preferred as a basis of planning. This central scenario is summarised below.
- 2.2.4 It is anticipated that a combination of government announcements, local political decisions, and the further development of service financial plans will reduce the overall level of uncertainty substantially by March 2022 when the budget is set.

2.3 MTFS September Summary – ‘Base case’

- 2.3.1 As at September, the estimated budget gap between 2022/23 to 2025/26 is £73.386m. Taking this revised budget gap with proposed savings to date, the shortfall across the MTFS period is reduced to £54.897m. Considering 2022/23 in isolation, the estimated funding gap is £16.233m, which reduces to £2.895m if all proposed savings are retained and approved.

2021/22	2022/23	2023/24	2024/25	2025/26
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£m	MTFS Summary - Base Scenario	£m	£m	£m	£m
333.101	Expenditure	342.102	369.561	394.431	418.983
(333.101)	Resources	(325.869)	(329.121)	(337.888)	(345.597)
(0.000)	Cumulative (Surplus)/Shortfall to Balanced Budget	16.233	40.441	56.543	73.386
0.000	Funding from Earmarked Reserves (under review)	(0.519)	0.000	0.000	0.000
(0.000)	Net Cumulative (Surplus)/Shortfall to Balanced Budget	15.714	40.441	56.543	73.386
	Savings / Efficiencies Proposed to Date	(12.819)	(14.867)	(18.106)	(18.489)
0.000	Gap to Balanced Budget excl uncertain items	2.895	25.574	38.437	54.897

2.4 Community Leadership and Libraries Context

- 2.4.1 The services under the responsibility of the committee have faced a challenging year, with the challenging recovery from the Covid-19 pandemic, in some services increasing demand and for others, preventing them from operating at full capacity.
- 2.4.2 However, the backlog from Covid-19 has helped temporarily increase the income generation capacity of services such as the Registration and Nationality service, albeit the demand placed on the service for death registrations increased. The Library Service also faces some budget pressures arising from an inability to generate income via fines and other fees and charges and hall hire.
- 2.4.3 Demand for community safety services also increased during this period, with an increase in Domestic Abuse reports during lockdown. New Covid-19 legislation has also required officers to be redeployed to enforcement roles in relation to non-compliant businesses.
- 2.4.4 The priority in these services areas continues to be around recovery from Covid-19 and dealing with the increased demand for services while continuing to run services in line with Covid-19 health and safety protocols.
- 2.4.5 The below sections outline a savings proposal for 2022/23 and 2023/24 and notes new pressures across the MTFS period.

2.5 In year (2021/22) Management

- 2.5.1 The financial position for the current year continues to be marked by uncertainty over the outlook for costs and revenues as the impact of Covid-19 continues to evolve. It remains challenging to separate the short-term financial impacts of the pandemic from the longer-term impacts.
- 2.5.2 It is anticipated that the coming months will provide greater clarity on the financial outlook for this year (and also future years), in terms of both expected spending patterns and available resources.

2.6 Theme Committee Savings

- 2.6.1 Service areas were asked to prepare budgets for 2022/23 within a nominal ‘cash limit’, set at the level of the budget in 2021/22. Theme Committees have been asked to set out savings proposals to contribute to the council’s overall savings requirement and offset suggested pressures.
- 2.6.2 As set out in Table 1, one savings proposal has been identified relating to Community Leadership and Libraries Committee. This saving has a total value of £0.150m through an increased income generation target for the Registration and Nationality Service.
- 2.6.3 The saving was originally identified due to the service overachieving on its income targets for 2019/20 by around £0.200m. 2020/21 was impacted by Covid-19 and subsequently 2021/22 saw an additional £0.200m income target built-in. 2022/23 will require additional investment in the town hall (carpets, paint etc.) and promotion to increase income targets for weddings. The savings proposal of £0.075m over the next two financial years, is in line with improving facilities and capacities moving forward.
- 2.6.4 As this savings proposal does not represent a change to the service, no equalities impact assessment is required to be completed. Equalities and diversity, as well as the impact on residents, will remain a key consideration for the council and the Registration and Nationality service in the future.

Table 1: Community Leadership and Libraries Savings Proposals (£'000)

Service Area	Description of saving	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total Savings (All Years) £'000
Customer Services & Digital	Income increase in the Registration service for births, marriages and deaths. The income generated from these services in 2019/20 was £200k higher than expected and while 2021/22 income was affected by Covid-19 due to restrictions on weddings and birth registrations, targets were met. The target for 2021/22 increased by £200k. However, 2022/23 will require additional investment in the town hall (carpets, paint etc) and increased promotion in order to increase income targets for weddings. 2022/23 bid is for both improving facilities and capacities. Fixed term resources will be applied to assess the viability of options appraisals moving into future years	(75)	(75)	0	(150)

2.7 Pressures

2.61 The below new cumulative pressures are for noting at this committee and are also shown in appendix A.

Table 2: Community Leadership and Libraries Pressures Proposals (£'000)

Service Area	Description of saving	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total Pressures (All Years) £'000
Community Safety	Community Safety and Protection Review - Community Safety restructure and service re-design	877	0	0	0	877

2.8 Fees & Charges

- 2.8.1 Revised financial regulations approved in October 2020 require all changes to fees and charges to be included in the budget proposals submitted by theme Committees or the relevant committee to the Policy & Resources Committee. The budget recommended by Policy and Resources Committee to Full Council will incorporate the latest projection of income from fees and charges. Full Council will approve all fees and charges as part of the budget report in March 2022.
- 2.8.1 For April 2021, the full list of fees and charges provided by the service can be found in Appendix B.
- 2.8.2 The report requests delegated authority for chief officers to review and amend these fees and charges, to be presented at January Community Leadership and Libraries Committee, ahead of recommendation at February Policy and Resources Committee to March Full Council.

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 Community Leadership and Libraries Committee approves the recommendations made by this report, then the savings proposals will be referred to Policy and Resources Committee on 9th December 2021 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.

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

- 6.2.1 The Community Leadership and Libraries 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 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 taxpayers, 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 Community Leadership and Libraries Committee include:
 - (1) Responsibility for libraries, culture, civic events, the mayoralty, voluntary, community and faith sector strategy and engagement, community safety, environmental crime (excluding littering, fly-tipping, fly-posting and graffiti), registration and nationality service, food security and Covid-19 enforcement.
 - (2) To act as the Crime and Disorder Scrutiny Committee in accordance with the Police and Justice Act 2006 (Crime and Disorder (Overview and Scrutiny Regulations) 2009
 - (3) To receive nominations and determine applications for buildings / land to be listed as an Asset of Community Value (Community Right to Bid).
 - (4) To submit to the Policy and Resources Committee proposals on the Committee’s budget for the following year (including fees and charges) in

accordance with the budget timetable and make recommendations on issues relating to virements, underspends or overspends. 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 To The council's Financial Regulations can be found at:
<http://barnet.moderngov.co.uk/documents/s46515/17FinancialRegulations.doc.pdf>
- 6.4.7 For the fees and charges within their remit, theme committees approve changes to fees and charges that are above CPI inflation by 2% or more, the introduction of new fees and charges, and changes to fees and charges outside the normal annual cycle. Changes to fees and charges approved by Theme Committees, must be reported to Policy and Resources Committee for noting.
- 6.4.8 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.
- 6.4.9 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 with. 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 in Appendix A indicates that an equalities impact assessment is not required for the one savings proposed for this committee. This is because it does not represent a change to a service, as it is a revised income generation target for the registration service.

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
- 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.

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 council will perform a budget consultation during December 2021 through to January 2022. 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, then 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 2022/23 savings. Where this is applicable, these will be shown in Appendix A. However, there are no service specific consultations for CLL for 2022/23.

6.9 **Insight**

- 6.9.1 None in the context of this report

7. **BACKGROUND PAPERS**

- 7.1 Community Leadership & Libraries Committee, 21 November 2018: Business Planning
<https://barnet.moderngov.co.uk/documents/s59957/CLL%20Recovery%20Planning%20Paper%20FINAL.pdf>
- 7.2 Community Leadership & Libraries Committee, 5 March 2020: Independent Evaluation of the Library Service
<https://barnet.moderngov.co.uk/documents/s58171/CLLC%20evaluation%20report.pdf>
- 7.3 Policy & Resources Committee, 17 June 2020: Covid-19 Recovery Planning
<https://barnet.moderngov.co.uk/documents/s58985/Covid19%20Recovery%20Planning.pdf>
- 7.4 Community Leadership & Libraries Committee, 16 September 2020: Recovery Plan
<https://barnet.moderngov.co.uk/documents/s59957/CLL%20Recovery%20Planning%20Paper%20FINAL.pdf>
- 7.5 Policy & Resources Committee, 24 September 2020: Business Planning 2021 to 2025 and Budget Management 2020/21
<https://barnet.moderngov.co.uk/documents/s60231/Business%20Planning%202021%20to%202025%20and%20Budget%20Management%20202021.pdf>