

	<h2>Adults and Safeguarding Committee</h2> <h3>24<sup>th</sup> November 2021</h3>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Business Planning 2022-26</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Councillor Sachin Rajput – Committee Chairman</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>Yes</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A – Savings Proposals Appendix B – Fees &amp; Charges</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Dawn Wakeling, Executive Director - Adults and Health <a href="mailto:dawn.wakeling@barnet.gov.uk">dawn.wakeling@barnet.gov.uk</a> Will Hammond, Head of Transformation – Adults and Health <a href="mailto:will.hammond@barnet.gov.uk">will.hammond@barnet.gov.uk</a></p>

<h2>Summary</h2>
<p>A Business Planning report was presented to Policy and Resources Committee on 30<sup>th</sup> September 2021 outlining the council’s updated Medium-Term Financial Strategy (MTFS) to 2025/26 and the future financial challenges facing the council.</p> <p>Theme Committees were asked to consider their response to this challenge, by developing savings and efficiency proposals, prior to a revised MTFS being presented to Policy and Resources Committee in December 2021.</p> <p>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 all proposed savings are agreed.</p>

This report asks the Committee to agree to the revenue savings proposals attached and to note the service pressures identified; and also to approve changes to Fees and Charges for implementation from 1 April 2022.

The outcomes of all theme committee discussions will go forward as recommendations to Policy and Resources Committee in December 2021.

## **Officers Recommendations**

1. That Committee agree the revenue savings programme listed in Appendix A and recommend it to Policy and Resources Committee in December.
2. That Committee note the risks associated with these savings proposals. These risks relate both to impact on services and residents and deliverability of savings.
3. That Committee note the equalities impact assessments associated with these savings proposals.
4. That Committee agree the changes to fees and charges as set out in Appendix B.

### **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 savings and fees & charges proposals for the Adults and Safeguarding Committee for 2022/23 and the subsequent two financial years, to the end of March 2026.

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 changes to Fees and Charges within Committee's authority for 2022/23 that require 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 all years are proposed through theme committees, recommended to P&R Committee, and then 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 2022-26

2.2.1 In June 2021, P&R Committee were presented with an update on the impacts of COVID-19 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. The report set out that the 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 would be scope for a social care precept (SCP) in 2022/23 (although it is now clear that a 1% social care precept can be levied in 2022/23).

2.2.3 Considering these variables highlighted that each of them could have considerable impact. For example, a 1% SCP would yield c. £2m; service pressures were initially estimated at £15m; and changes to government grant, estimated at a loss of £2m per year, could be a loss or a gain of twice that. Accordingly, three 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. Considering 2022/23 in isolation, the estimated funding gap is £16.233m.

2021/22		2022/23	2023/24	2024/25	2025/26
£m	<u>MTFS Summary - Base Scenario</u>	£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

## 2.4 Committee Context

2.4.1 On 8<sup>th</sup> February 2021, Policy and Resources Committee approved the Barnet Plan, which identified the four key priorities for the council over the next four years:

- **Clean, safe and well run:** a place where our streets are clean and antisocial behaviour is dealt with so residents feel safe. Providing good quality, customer friendly services in all that we do;
- **Family Friendly:** creating a Family Friendly Barnet, enabling opportunities for our children and young people to achieve their best;
- **Healthy:** a place with fantastic facilities for all ages, enabling people to live happy and healthy lives.
- **Thriving:** a place fit for the future, where all residents, businesses and visitors benefit from improved sustainable infrastructure & opportunity.

2.4.2 The Healthy workstream is the key focus for the Adults and Safeguarding Committee.

2.4.3 In March 2021, the Adults and Safeguarding Committee agreed its priorities and delivery plan for 2021/22. The priorities were:

- Recovery (from the COVID-19) pandemic
- Bringing health and care together
- Supporting residents to maintain their strengths and independence
- Focusing on mental health and wellbeing
- Greater facilities and opportunities to be physically active

## 2.5 National Context

### Adult social care

2.5.1 It is widely acknowledged that adult social care has faced a considerable funding challenge for a number of years<sup>1</sup>. The Local Government Association stated that: 'Over the past decade, adult social care costs increased by £8.5 billion while total funding (including the Better Care Fund) only increased by £2.4 billion. This left councils with a funding gap of £6.1 billion. Of this, £4.1 billion was managed through savings to the service, and £2 billion was managed through funding diverted from other services by cutting them faster than otherwise would have been the case.'<sup>2</sup>

2.5.2 Social care faces demographic pressure both in terms of the number of adults requiring support and the level of individual need. The UK has an ageing population, with more people living with multiple health conditions, and a

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<sup>1</sup> <https://committees.parliament.uk/publications/3120/documents/29193/default/>

<sup>2</sup> <https://www.local.gov.uk/parliament/briefings-and-responses/debate-challenges-facing-social-care-england-following-pandemic>

steady increase in the number of people living with dementia.<sup>3</sup> There is also a rising number of younger, ‘working-age’ adults with care needs, with the number of people with severe learning disabilities projected to increase by 34% between 2017 and 2027.<sup>4</sup> Spend on working age adults now accounts for more than half of adult social care spending.

- 2.5.3 Social care providers are also facing significant challenges, with the LGA suggesting that around £1.5 billion is required to stabilise the care provider market and cover the difference between the benchmarked cost of care delivery and prices paid by councils, and significant vacancy rates for care staff.<sup>5</sup>
- 2.5.4 The COVID-19 pandemic both has exacerbated and highlighted some of the challenges faced by the sector (such as financial pressure on providers and staff shortages), while also emphasising the critical value of social care in enabling people to maintain quality of life and in supporting the wider health system. Significant funding was made available to councils and social care providers to deal with the immediate impact of the pandemic, although this is unlikely to be sustained.
- 2.5.5 In September 2021, the Government published ‘Build Back Better: Our Plan for Health and Social Care’, including a new 1.25% social care levy. This is projected to raise around £36 billion for health and social care, of which £5.4 billion will be invested in adult social care over the period of the plan. However, it is not yet clear how quickly this will be made available for adult social care, with the immediate funding priority being the backlog in NHS waiting lists. As it will also be targeted at protecting individuals against high costs of care, it may not completely address the wider funding challenges faced by the sector. According to the Plan, “demographic and unit cost pressures will [need to] be met through Council Tax, social care precept, and long-term efficiencies.”<sup>6</sup>
- 2.5.6 The October 2021 Government spending review has set out that local authorities with social care responsibilities will be able to increase the adult social care precept by up to 1 per cent per year.<sup>7</sup>
- 2.5.7 The new Health and Care Bill introduces a new duty for the Care Quality Commission (CQC) to review and make an assessment of local authorities’ delivery of their adult social care duties. This will mean the development of a new national assurance framework for adult social care.

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<sup>3</sup> <https://www.alzheimers.org.uk/about-us/policy-and-influencing/dementia-scale-impact-numbers>

<sup>4</sup> <https://www.health.org.uk/sites/default/files/upload/publications/2020/Social%20care%20for%20adults%20aged%2018-64%20Analysis.pdf>

<sup>5</sup> [Adult social care fragility | Care Quality Commission \(cqc.org.uk\)](https://www.cqc.org.uk/adult-social-care-fragility)

<sup>6</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/101573/6/Build\\_Back\\_Better\\_-\\_Our\\_Plan\\_for\\_Health\\_and\\_Social\\_Care.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101573/6/Build_Back_Better_-_Our_Plan_for_Health_and_Social_Care.pdf)

<sup>7</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/102997/3/Budget\\_AB2021\\_Print.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/102997/3/Budget_AB2021_Print.pdf)

## Leisure

- 2.5.8 In July 2020, the LGA published a report outlining the impact of Covid 19 in relation to culture, leisure and sport. The research identified councils as one of the biggest funders in England for culture and leisure, spending approximately £2.2 billion a year these types of services. Many services also generate significant levels of income and inward investment, as well as having a multiplier effect on the local economy and contributing to health outcomes.
- 2.5.9 The closure of leisure facilities and restrictions placed an immediate pressure on finances, rapidly reducing income for many providers to zero and creating implications for the long-term financial sustainability of operators within the sector. Government funding such as the National Leisure Relief Fund (circa £116m) has provided relief for leisure services but has not covered the overall impact to many leisure providers.
- 2.5.10 The LGA report indicates that there will be continued financial uncertainty for leisure providers as we emerge from the pandemic.

## 2.6 Barnet Context

### Adult Social Care

- 2.6.1 The most recently published benchmarking report (based on 2019/20 figures)<sup>8</sup> showed that Barnet was the 33<sup>rd</sup> lowest spending authority on adult social care out of the 152 England authorities, per head of population. Alongside good performance against key quality / outcome measures, this demonstrates that Barnet continues to deliver value for money in adult social care.
- 2.6.2 According to this benchmarking, Barnet has relatively low numbers of older adults with long term care packages and has low levels of residential admissions. However, on average, Barnet spends relatively more than average per person in long term care, especially for working age adults. Unit costs for older adults for residential and nursing care are comparable with nearest neighbours, although slightly higher for working age adults, while the hourly rate paid for homecare is slightly higher than the median for statistical neighbours. This may be driven by the committee's previous decision to ensure all homecare staff are paid for their travel time between care calls.
- 2.6.3 While continuing to make good use of resources, Barnet faces significant demand and cost pressures. According to PANSI data, Barnet has the highest population of adults living with learning disabilities of any London borough, and consequently provides long term support for a comparatively high number of people with a learning disability. This number has increased by approximately 40 in the last two years, mostly driven by young adults transitioning from Families to Adults services. The needs - and average cost

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<sup>8</sup> LGA Adult Social Care Use of Resources Report (written by LG Inform) 19/20. Based on the National ASC Finance Return.

of meeting these needs - are generally higher than the average for the total cohort of adults with a learning disability supported by the council.

- 2.6.4 The absolute number of older adults supported is also increasing year on year. This is partly the result of an ageing population, but the pandemic has also generated increased demand for social care support. While initial numbers of people supported in residential and nursing care declined during the height of the pandemic, they are now higher than pre-pandemic levels. The number of homecare packages has increased by 40% (or 482) in two years, driven in particular by additional demand from hospital discharges through the pandemic. The level of need per individual (complexity), and associated cost has also increased. This is likely to be the result of people living longer with complex medical conditions and the high local prevalence of dementia (Barnet is in the top five London Boroughs for recorded prevalence, 4.59% of those over 65, compared to 3.96% in England).<sup>9</sup>
- 2.6.5 A large proportion of this demand is driven by the significantly higher number of residents needing care and support upon discharge from hospital. In the first six months of this year the number of adults supported was almost double that of the equivalent period in 20/21 (1,030 compared to 521). It is unclear how long this increased demand will continue.
- 2.6.6 There are also significant pressures on social care providers, with staff shortages, rising wage costs and inflation. Unit costs for care are therefore likely to increase above inflation over the coming years

## **Leisure**

- 2.6.7 The council's leisure contract is currently in Year 4 (2021/22) of a 10-year term, in which Annual Payments were due to the Council from Year 3 (2020/21) to Year 10.
- 2.6.8 Since March 2020, the Council has continued to work in partnership with GLL (leisure operator) in relation to recovery and business planning, acknowledging the changes brought about by Covid-19 which has included enforced closures and adaptations to operations.
- 2.6.9 Current operations indicate that services are recovering well (with the current live membership level at 85% of pre-Covid levels). However, there are still financial challenges, and the council is continuing to work with GLL to address the income levels over the contract period.

## **2.7 In year (2021/22) Management**

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<sup>9</sup> <https://fingertips.phe.org.uk/profile-group/mental-health/profile/dementia/data#page/4/gid/1938133052/pat/15/par/E92000001/ati/166/are/E38000240/iid/91891/age/27/sex/4/cat/-1/ctp/-1/yr/1/cid/4/tbm/1/page-options/tre-do-1>

2.7.1 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.

2.7.2 There is significant uncertainty in what the demand for adult social care service will be this year. This is for various reasons including:

- Across London the summer pressures this year for social care have been unprecedented with demand from both hospital discharges and community crises at or beyond normal winter levels. It is unclear how long this pressure will be sustained for.
- It is also unclear what winter will bring, with potential rises in Covid and flu driving additional demand.
- After a year in which the death rate was significantly higher for those with funded support, the rate for the first few months of 21/22 is below pre-pandemic levels (average of 38 per month in 21/21 compared to 69 last year). It is unclear how this will adjust over the winter.
- The complexity of need for those leaving hospital is higher than it has been requiring a big increase in individuals requiring two carers for each call (up 32% compared to last year) and more 1-1 support in supported living and care homes.
- It has been confirmed that NHS funding for discharge will continue until March but it is currently proposed that there will be no extension of the arrangements next year.
- The care market is significantly challenged with providers managing mandatory vaccines and general recruitment challenges. This risks pricing for the remainder of the year being pushed up.

2.7.3 The service continues to do all it can to manage the budget whilst meeting statutory duties under an increasingly pressured health and social care system. This includes senior sign-off of all high-cost packages, the negotiation of rates (including block contracts), quick reviews of people following discharge from hospital to ensure a proportionate level of care as people recover, the use of equipment and technology wherever suitable and maximising the benefits of enablement services.

2.7.4 As set out in the Q2 Performance Report also presented to this Committee, The Revenue Forecast (after reserve movements) for the Adults and Safeguarding Committee's service areas of adult social care and leisure is £109,438m. Of this, £6.456m is the impact of Covid 19, leaving a small underspend of £0.051m at Q2.

#### 2.7.5 **Future years' projected financial pressure**

2.7.6 The (significant) total ongoing financial pressure over the period totals £13.324m (£6.482m 22/23, £2.263m 23/24, £2.281m 24/25 and £2.298m 25/26).

2.7.7 These are predominantly related to increasing demand for support and meeting increased complexity of need. Much of this pressure is from additional demand that has already materialised, as set out earlier in this

report, such as the 40% in homecare packages over the last two years and a 32% increase in new cases requiring ‘double-handed’ care. This will become a pressure in 22/23 because the demand is likely to remain, while specific COVID-19 funding covering the costs this year is not projected to continue.

2.7.8 Future years’ pressure forecasts are then based on the current demand trajectory ‘levelling off’, but this assumption will need to be kept under review.

2.7.9 There are also several ‘one-off’ pressures reflecting the continued response to the COVID-19 pandemic, which are currently being reviewed. Pressures from lost income from GLL contract are included here, as the ambition remains for the contract to deliver the initially agreed income level over the longer, total contract period.

#### 2.7.10 Savings options

2.7.11 The pressures on the social care system, combined with the previous delivery of significant savings from Barnet Adult Social Care makes identifying further savings opportunities very challenging.

2.7.12 Given the high pressure on existing staff, delivering savings from the staffing budget would negatively impact service delivery. Less contact time with new and existing people who need care and support would also likely drive up the cost of care as the potential for creative, strengths-based social care practice would diminish.

2.7.13 Delivering savings from preventative services is also likely increase the overall costs of provision, given the vital role these play in reducing the level of demand for formal care.

2.7.14 Savings from adult social care are therefore reliant on ‘demand management’ or working with providers to constrain or reduce the unit cost of care. These savings are challenging to deliver given the increasing levels of need among individuals and the pressures facing the provider sector. The table below sets out the savings identified by year. The total savings amount identified is £3.384m over the MTFS period.

2.7.15 The detail of each saving proposal is contained in Appendix A – MTFS Proposed Savings for 22/23 to 25/26

Line Ref	Opportunity Area	2022/23 £000	2023/24 £000	2024/25 £000	Total savings (All years)
A&S9	VAT efficient leisure contract	(159)	(184)		(343)
A&S10	Additional income from leisure (SPA)	(373)	(258)		(631)
A&S21	Strengths-based provision for older	(200)			(200)

	adults and people with physical disabilities				
A&S22	Progression for people with a learning disability	(500)	(75)	(75)	(650)
	Increasing Independence in Mental Health	(250)			(250)
A&S13	Extra-Care Housing 2 (Stagg House)	(30)	(100)	(70)	(200)
A&S14	Extra-Care Housing 3 (Cheshir House)		(50)	(210)	(260)
A&S31	Increased use of prevention services		(200)	(200)	(400)
A&S27	Increasing independence through reablement	(200)			(200)
A&S32	Constraining homecare costs	(150)			(150)
A&S33	Constraining residential and nursing costs	(100)			(100)
<b>Overall Savings</b>		<b>(887)</b>	<b>(867)</b>	<b>(555)</b>	<b>(3,384)</b>

2.7.16 The key changes and additions from the 21/22-24/25 MTFS are set out below (all in 2022/23):

- A further £200k saving through continuation of strengths-based reviews for older adults (covering unachieved savings from 21/22)
- An increase in the saving through progression for people with a learning disability (from £275k to £500k) (covering unachieved savings from 21/22)
- A new saving of £250k from increasing independence for people using Mental Health services
- An additional £100k from enhancements to reablement services
- A new £150k saving from constraining homecare costs
- An additional £100k saving from constraining residential and nursing care costs

2.7.17 Given the context set out in sections 2.5 and 2.6 of this paper, there are significant risks and challenges associated with delivering these savings, in particular those associated with leisure services and reducing demand for adult social care services. The risks are set out in more detail in section 6.5.3.

2.7.18 Officers are continuing to review options to constrain pressures or identify further savings.

## 2.8 Fees & Charges

- 2.8.1 Further to recent Council decisions, all changes to fees and charges for clients who receive a chargeable service from April 2021 are to be approved by Theme Committee and Council, regardless of the level of any change to the fee. All relevant fees and charges are included in Appendix B to this paper, and those where a change is proposed have been marked as such.
- 2.8.2 The core fees and charges for Adult Social Care Services are reviewed at the same time as changes to Department of Work and Pension benefits / allowances, which are normally published around January / February each year.
- 2.8.3 From April 2022, the only proposed increase to adult social care charges is an increase of 2% to the Fairer Contributions Charge Rate for homecare. This is to reflect the increase in average hourly rate the council pays for homecare, to £18.76.
- 2.8.4 From April 2022, it is proposed that the majority of the fees and charges associated with leisure services are increased by 3.2%. The rationale for this is that the leisure industry, like some others, has been severely impacted by the pandemic, therefore we are supportive of GLL applying a 3.2% increase to assist financial recovery. The proposed fees and charges have been carefully assessed and where it was deemed that a 3.2% increase would be prohibitive, these have been constrained (with the lowest being 2%). The newly proposed fees have been benchmarked across local and neighbouring facilities and GLL continue to be competitive.
- 2.8.5 In real terms, proposed fee increases are largely beneath £0.50p. There are some items where, even after applying only 2% increase, this is higher. This is considered of lower impact to individuals given that:
- Fitness Induction (and programme) is included within memberships at no additional cost. It is seldom purchased as a standalone service.
  - Sports Hall, Court and Pitch Hires are a shared cost between teams / multiple participants
  - Burnt Oak Leisure Centre Nursery Fees and Charges remain competitive (significantly below the highest charging competitor rate of £91.76 per day) and therefore continues to be accessible to the community in which it is located and serves

## 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 Adults and Safeguarding Committee approves recommendation 1 made by this report, then the savings proposals will be referred to Policy and Resources Committee on 9<sup>th</sup> 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 On 8<sup>th</sup> February 2021, Policy and Resources Committee approved the Barnet Plan, which identified the four key priorities for the council over the next four years:

- **Clean, safe and well run:** a place where our streets are clean and antisocial behaviour is dealt with so residents feel safe. Providing good quality, customer friendly services in all that we do;
- **Family Friendly:** creating a Family Friendly Barnet, enabling opportunities for our children and young people to achieve their best;
- **Healthy:** a place with fantastic facilities for all ages, enabling people to live happy and healthy lives.
- **Thriving:** a place fit for the future, where all residents, businesses and visitors benefit from improved sustainable infrastructure & opportunity.

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

6.2.1 The Adults 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 Adults and Safeguarding Committee can be found here: <http://barnet.moderngov.co.uk/documents/s47983/08Article7CommitteesForumsWorkingGroupsandPartnerships.doc.pdf>. Responsibilities include:
- (1) Responsibility for all matters relating to vulnerable adults, adult social care and leisure services.
  - (2) Work with partners on the Health and Well Being Board to ensure that social care interventions are effectively and seamlessly joined up with public health and healthcare and promote the Health and Wellbeing Strategy and its associated sub strategies.

(3) 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.

(4) 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.

(5) To receive reports on relevant performance information and risk on the services under the remit of the Committee.

6.4.6 A link to the council's Financial Regulations can be found at (see section 2.3.6): [4 \(modern.gov.co.uk\)](http://modern.gov.co.uk), in which the following is stated:

6.4.7 2.3.6 - Changes to fees and charges should be included in the budget proposals submitted by theme Committees or the relevant committee as part of the budget setting process. Theme Committees and other committees refer all fees and charges to the Policy and Resources Committee. The Policy and Resources Committee reviews all fees and charges which then form part of the budget that is subject to public consultation. Subject to public consultation outcomes, the Policy and Resources Committee recommends all fees and charges to Full Council for approval as part of the council's overall budget

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.

6.5.3 The initial risk assessment on the proposals outlined in this document has identified the following as the most significant risks:

Project / savings line	Risk description(s)	Mitigation approach (if possible)
<b>Various</b>	<ul style="list-style-type: none"> <li>• COVID-19 has caused significant disruption to adult social care services, both in terms in net increases to demand for services and social worker input, and necessary changes in practice. The full (length of this) impact is hard to be certain about, and therefore future financial pressures can only be estimated at this stage.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to monitor pressures and demand and adjust forecasts accordingly.</li> </ul>
<b>SPA Income</b>	<ul style="list-style-type: none"> <li>• Covid 19 has had a significant impact on the leisure industry and therefore the to the sustainability of the leisure services provider given payments expected to be made to the council.</li> </ul>	<ul style="list-style-type: none"> <li>• The extent of the total loss of revenue and the future financial impact on the service continues to be subject to a full commercial assessment.</li> </ul>
<b>VAT efficient leisure contract</b>	<ul style="list-style-type: none"> <li>• Achievement of this saving is dependent on complex legal and treasury arrangements and may therefore not materialise if legal and HMRC assurance is not received.</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of a thorough legal and HMRC review and continued monitoring of VAT levels by finance.</li> </ul>
<b>All 'demand management' savings</b>	<ul style="list-style-type: none"> <li>• Savings are inherently unpredictable given that they are linked to individual circumstances and needs</li> <li>• Barnet is a low-spending authority on social care and has already delivered significant efficiencies. Savings are therefore often reliant on meeting complex needs in different ways, which is challenging</li> <li>• Monitoring of savings is complex due to the challenges of predicting 'baseline' demand and avoided costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Service and finance colleagues will continue to work closely together to maximise savings achieved and evidence of this.</li> <li>• Investment in staffing resources to deliver savings initiatives</li> </ul>

## 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:

<https://www.barnet.gov.uk/your-council/policies-plans-and-performance/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 (EqIA) 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 A 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 where equalities impact assessments (EqIAs) have been carried out. Overall, five EqIAs have been carried out or refreshed, each of which showed an overall positive impact. For all proposals, the advised outcome is to ‘Proceed with no changes’, although equalities impacts will continue to be kept under review and mitigating actions implemented where identified.

EqIAs are available at: [Equality Impact Assessments 2022/23 | Barnet Council](#)

Ref	Opportunity Area	EIA required?	Positive Impact	Negative Impact		No impact
				Minor	Major	
A&S9	VAT efficient leisure contract	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S10	SPA income	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A&S13	Extra-Care Housing 2 (Stagg House)	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S14	Extra-Care Housing 3 (Cheshir House)	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S21	Strengths-based provision for older adults and people with physical disabilities	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S22	Progression for people with a learning disability	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S27	Increasing the breadth of the reablement offer	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S31	Expansion of Prevention and Wellbeing Team	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S32	Increasing Independence in Mental Health	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S33	Homecare costs	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A&S34	Residential / nursing care costs	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6.6.12 Any 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.

6.7.3 The council provides discounted and free access to leisure services for young people in care and care leavers. This has been maintained in the proposals above. Adult social care provides support to adults with eligible needs who are care experienced and this is relevant to all the proposals above.

## 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 from December 2020 through to January 2021. 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.

## 6.9 **Insight**

6.9.1 None in the context of this report

## **7. BACKGROUND PAPERS**

7.1 Barnet Plan Policy and Resources Committee 8<sup>th</sup> February [Appendix A - Barnet Plan.pdf \(moderngov.co.uk\)](#)

