



Adults and Safeguarding Committee 14 November 2022

Title	Business Planning 2023-27
Report of	Cllr Paul Edwards - Chair of the Adults and Safeguarding Committee
Wards	All
Status	Public
Urgent	No
Key	Key
Enclosures	Appendix A – Medium Term Financial Strategy (MTFS) and Savings Proposals for Committee
Officer Contact Details	<p>Dawn Wakeling, Executive Director – Communities, Adults and Health Dawn.Wakeling@barnet.gov.uk</p> <p>Lindsey Hyde, Head of Transformation – Communities, Adults and Health Lindsey.Hyde@barnet.gov.uk</p> <p>Dean Langsdon, Head of Finance – Communities, Adults and Health Dean.Langston@barnet.gov.uk</p>

Summary

The council has refreshed its MTFS ahead of the budget setting process, taking into account revised assumptions about inflation, service pressures and revised savings and income generation opportunities. A Business Planning Report was received by Policy and Resources Committee on 29 September 2022, setting out the process which will take place for 2023/24 and future years, to achieve a balanced budget. Theme Committees are requested to consider their response to this challenge, by considering savings proposals to secure a balanced council budget (the same process as used in previous years). Given the high level of uncertainty over the MTFS period related to inflationary pressures, the cost-of-living crisis and uncertainty around Government grant income, 3 scenarios have been modelled. The base case scenario (Scenario B) estimates an overall budget gap of £10.443m in 2023/24 where additional savings would be required, and additional savings of £44.721m over the four years to 2026/27. This report asks the Committee to agree to the revenue savings and proposals attached. The outcomes of revenue savings discussions will go forward as

recommendations to Policy and Resources Committee in December 2022 and be subject to public consultation and an updated equality impact assessment at a later stage.

Officers Recommendations

- 1. That the Adults and Safeguarding Committee consider the MTFS proposals that relate to the committee as set out in paragraph 1.2.6.3 and Appendix A after having considered the initial equalities impacts and refer these recommendations to Policy and Resources Committee for decision.**
- 2. That the 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 the Committee agree the proposals set out in paragraph 1.2.5.1**
- 4. That the Committee agree to delegate to the Executive Director Communities, Adults and Health in consultation with the Chair of the Adults and Safeguarding Committee, to make any amendments to the savings detailed in paragraph 1.2.6.3 and Appendix A before they are recommended to Policy & Resources Committee to form part of the overall MTFS.**

1. Why this report is needed

1.1 STRATEGIC CONTEXT

- 1.1.1** This report is required as part of the council's annual business planning process, to discuss and approve MTFS savings proposals for the Adults and Safeguarding Committee for 2023-27. 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 via an ongoing process and proposed to Theme Committees, which refer proposals to Policy and Resources Committee as part of the budget setting process, and which then go to Full Council in March for consideration and approval.
- 1.1.2** Current budget forecasts for adult social care reflect increases in activity, demand and unit cost which exceed estimates used for setting this year's budget. The service continues to do all it can to manage the budget whilst meeting statutory duties within an increasingly pressured health and social care system. This includes approaches such as senior sign-off of all high-cost care packages, the negotiation of rates with commissioned providers (including block contracts), the use of equipment and technology wherever suitable, and maximising the benefits of enablement services.
- 1.1.3** Adult social care has faced a considerable funding challenge for a number of years ⁽¹⁾. The Local Government Association has 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

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

have been the case.² The Association of Directors of Adult Social Services (ADASS) Spring Survey stated that the long-term impact of both austerity and the Covid-19 pandemic on support for people with care needs is now being compounded by spiralling inflation and intense labour market pressures.³ The position may worsen in the coming year, as a result of increases to the National Living Wage (NLW), inflationary and demographic pressures. Increases in the costs of energy, food and fuel will also impact care providers.⁴

1.2. Current council MTFS position

1.2.1 As of October 2022, the estimated budget gap between 2023/24 – 2026/27 is £60.730m. After proposed efficiencies and income generations options the gap reduces to £44.721m, as set out in the table below.

MTFS Summary	2023/24	2024/25	2025/26	2026/27
Resources vs. Expenditure	£m	£m	£m	£m
Expenditure	382.505	414.566	437.274	458.744
Resources	(363.426)	(375.037)	(386.757)	(398.014)
Cumulative (Surplus)/Shortfall to Balanced Budget	19.079	39.529	50.518	60.730
In Year Budget Gap before Savings	19.079	30.893	36.892	46.436
Efficiencies and Income Generation options Proposed	(8.636)	(4.989)	(0.668)	(1.716)
(Surplus)/Shortfall to Balanced Budget	10.443	25.904	36.224	44.721
In year savings requirement	19.079	20.451	10.988	10.212

1.2.3 Current budget position – Adults and Safeguarding Committee

1.2.3.1 As of Quarter Two 2023/23, adult social care is projecting a year end position of a £5.340m overspend. This is after the application of £4.912m of one-off reserve funding. The overspend relates primarily to pressures across adult social care placements, both in terms of increasing activity and the cost of care packages.

1.2.3.2 The current in year increase in activity and unit costs form part of the pressures being presented in the budget setting round for 2023/24, together with an estimate for increased demographics and a continued upward movement in package complexity.

1.2.3.3 There continues to be a financial impact on the council's leisure contract, as these services are still recovering from the impact of closures during the pandemic. Work has been undertaken with GLL, the council's leisure provider, to restructure management fee income however this will still lead to a shortfall in 2022/23, which will be mitigated by reserve funding.

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

3 <https://www.adass.org.uk/adass-spring-budget-survey-2022>

4 <https://www.local.gov.uk/about/campaigns/future-adult-social-care/adult-social-care-position-statement>

1.2.4 Adults and Safeguarding Committee Priorities

1.2.4.1 The priorities agreed by this Committee are:

- To work with our NHS, the community and voluntary sectors
- Introduce a charter for social care and develop a new engagement strategy with people who draw on care and support
- Prioritise independent living, putting people at the centre of their care
- Maximise the use of technology and implement innovative technology to support independence
- Support local social care providers and the social care workforce, working with education providers & addressing recruitment & retention
- Being a dementia friendly borough
- Introduce a Barnet Charter for Mental Health
- Health inequalities – healthy living through physical activity

1.2.5 Investment proposals to meet Administration Priorities

1.2.5.1 The 2022/23 budget agreed by the Administration included a £5m reserve to support adult social care. Officers have developed proposals which support the achievement of the Committee’s priorities and better outcomes for residents, whilst enabling the delivery of MTFS initiatives. These are summarised in the table below. An update report on the proposals will be brought to the next Adults and Safeguarding Committee meeting.

Proposal	Description	Expected outcomes & outputs	Amount
Assistive Technology – Supported Living	Increasing the use of care technology in Supported Living to promote independence for adults with a learning disability.	100 adults with a learning disability provided with technology to enable them to better manage: <ul style="list-style-type: none"> • Developing social connections • Health & Wellbeing • Money Management • Accessing the community • Their daily routine • Seizure management • Safety at home 	£250k
Support for care providers	A recruitment, training and development programme for the independent care provider workforce.	<ul style="list-style-type: none"> • Working to improve workforce progression pathways, including a recruitment, training and development programme for aspiring registered managers and registered owners / trustees 	£400k

		<ul style="list-style-type: none"> • Recruitment campaigns and recruitment fairs to support care providers with staff recruitment • Bespoke support to care providers on recruitment and retention • Training events programme and sector based academies – working closely with North Central London colleagues on workforce initiatives 	
Engagement and co-production	Work with residents and other stakeholders to co-produce and implement an engagement strategy and charter to ensure people's views are heard by and shape adult social care.	<ul style="list-style-type: none"> • Develop and strengthen engagement with people who draw on care & support, using co-production and engagement approaches • Undertake a wide variety of engagement activities to hear from people across the community • Commission voluntary and community organisations to engage with parts of community who the council might otherwise not reach • Ongoing programme of engagement and co-production with people who draw on care, disabled people and their carers • Enable the delivery of the new adult social care engagement and co-production strategy and charter 	£265k
Total			£1,015k

1.2.6 Adults and Safeguarding Committee Proposed Savings 2023-27

1.2.6.1 To address the Council’s budget gap between 2023 and 2027, Theme Committees are required to set out savings proposals to contribute to the council’s overall savings requirement. The MTFs has been refreshed through reviewing existing savings proposals to identify opportunities to increase their impact, and identifying new proposals based on commissioning, finance and service intelligence. The detail of each saving proposal is contained in Appendix A.

1.2.6.2 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 challenging. The proposals set out here focus on areas which minimise any unintended consequences elsewhere in the wider health and care system.

1.2.6.3 The table below sets out the savings proposed by year, relating to this Committee’s remit. The total amount identified to date is £3.887m over the whole period. For 2023/24 the total amount is £2.747m.

Line ref	Opportunity area	Description	2023/24	2024/25	2025/26	2026/27	Total
A&S8	VAT efficient leisure contract (Income)	Working with our leisure services provider to maximise the VAT efficiency of their contract and service, with the Council benefitting from the saving.	(184)				(184)
A&S9	Leisure Management Contract – Annual Payment (subject to market conditions) (Income)	Over-delivery against projected income from the GLL leisure services contract	(258)				(258)
A&S13	Extra Care Housing 2	Extra Care development of fully integrated service for older people to rent, offering a wide range of services as an alternative to more expensive residential care. Proposed scheme of 50 units based with 50% high needs, 25% medium needs and 25% low needs. Saving is modelled on a 10K saving per person per year, based on the difference between the costs of residential care and extra-care. Saving will be achieved if the scheme is targeted at those who would otherwise have their needs met by residential care.	(100)	(70)			(170)

A&S14	Extra Care Housing 3	Plans are in place to develop a third Extra-Care Housing scheme at Cheshir House, with 75 units. Current savings projections are based on conservative assumptions using evidence from the first scheme.		(210)				(210)
A&S22	Progression for people with a learning disability	This is a continuation of a saving based on the principle of 'progression', which is that each person with a learning disability has the potential to increase independence if they are given the appropriate care and support. Working with people who use care and support services to be more independent and where appropriate to be supported with less intensive forms of support. This includes using more evidence based approaches to commissioning placements and assistive technology to support adults in supported living settings.	(500)	(150)				(650)
A&S31	Increased use of prevention services	The saving is based on Prevention Co-ordinators working with more people at the first point of contact for adults requesting care and support (the 'Front Door'), to delay the development of care needs and ensure that preventative / alternative options to formal care are fully considered and utilised.	(200)	(200)				(400)
A&S32	Progression for people with a Mental Health support need	This is a saving based on the principle of 'progression', which is that each person with a Mental Health need has the potential to increase independence if they are given the appropriate care and support. Working with people who use care and support services to be more independent and where appropriate to be supported with less intensive forms of support. This includes using more evidence based approaches to commissioning placements.	(200)	(200)				(400)
A&S35	ASC Debt recovery improvement/ default direct debit	The work of the debt project will support residents to increase recovery rates, including through default direct debit set up to make payment easier.	(100)					(100)

A&S36	Your Choice Barnet	Your Choice Barnet, robust improvement plan to enable cost recovery and to work towards efficiency and attracting more residents to draw on their services including those who fund their own care particularly for the older people's homes. The intention is to enable these services to become self-sustainable in the medium term.					
A&S37	Continuing Health Care: Securing income against current arrangements	Maximising income against current agreements for Continuing Health Care. Based on process improvements, exploring opportunities to update arrangements if any opportunities are being missed. This is also based on a 2.8% increase in numbers of people coming forward for support, this is a proportionate increase. This links to the demographic growth pressure.	(1,100)	(100)			(1,200)
A&S39	Employment for adults who require care and support	A new Council wide carved employment scheme to provide a useful step on the work undertaken by BOOST. Promotes independence and reduces need for more traditional day services and their associated costs. DEPENDENCY – Creation of a council wide carved employment scheme which provides 15 job opportunities over first two years. We are ambitious about this and want to bring this to the Barnet Partnership Board to roll out across partnership organisations. This is a cost avoidance saving based on lower use of day services as a result of employment.	(30)	(60)			(90)
A&S40	Housing for adults who require care and support	Increased joint working with housing to increase access to settled social housing tenancies for adults who require care and support. This is a cost avoidance saving.	(75)	(150)			(225)
Total			(2,747)	(1,140)			(3,887)

1.2.6.4 There are significant challenges associated with delivering these savings, in particular those associated with reducing demand for adult social care services. There also continues to be disruption to the Leisure industry post Covid and there is an expected loss

of contract management fee income. This position is expected to improve post 2023/24. The main risks are set out in more detail in section 5.6.

- 1.2.6.5 The financial position for the current year continues to be marked by uncertainty over inflationary pressures, the cost-of-living crisis and ongoing impact on service demand. It is anticipated that the coming months, and the national fiscal announcement now expected on 17 November 2022, will provide greater clarity on the financial outlook for future years, in terms of available resources. Officers are continuing to explore options for further savings to support the Council's overall financial position.

2. Reasons for recommendations

- 2.1 By law, the council is required to set a balanced budget. These proposals set out how we will meet financial requirements while delivering outcomes and ambitions for Barnet residents.
- 2.2 Local Government continues to face a challenging financial context and increased demand for services, as set out in the above context. These challenges require robust financial and strategic planning and the recommendations in this report support this.

3. Alternative options considered and not recommended

- 3.1 The alternative option is not to approve the MTFs proposals. By law, the council is required to set a balanced budget. These proposals meet financial requirements, while delivering the council's outcomes and ambitions for Barnet residents.

4. Post decision implementation

- 4.1 If the Adults and Safeguarding Committee approves the recommendations contained in this report, the savings proposals will be referred to Policy and Resources Committee in December 2022 as part of the Council's MTFs.

5. Implications of decision

5.1 Corporate Priorities and Performance

- 5.1.1 This report supports the council's corporate priorities as expressed through the proposed approach for the new Corporate Plan, including the emerging vision for Barnet to be a council that 'cares for people, our places and the planet' and a council that is effective and engaged.

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

- 5.2.1 The Adults and Safeguarding Committee's MTFs programme will enable the council to meet its savings requirement as set out in the MTFs. These budgets will be formally agreed each year, and individual proposals will be subject to appropriate consultation and equalities impact assessments where necessary. For this reason, the proposals are subject to change.

5.2.2 Some of the proposals relate to savings resulting from operational decisions being made in a different way and are therefore estimated savings and 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.

5.3 Legal and Constitutional References

5.3.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.3.2 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.

5.3.3 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.

5.3.4 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.

5.3.5 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: <https://barnet.moderngov.co.uk/mgCommitteeDetails.aspx?ID=698>. 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.

5.3.6 The council's Financial Regulations can be found [here](#).

5.3.7 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).

5.4 **Insight**

5.4.1 The Council draws on qualitative and quantitative insight to shape and develop services. Performance data and insight has been drawn upon to develop MTFS proposals that will enable us to continue to meet the needs of Barnet residents.

5.5 **Social Value**

5.5.1 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. Commissioning or recommissioning of any services or contracts (employment and day opportunities for example) will include how wider social, economic and environmental benefits can be achieved.

5.6 **Risk Management**

5.6.1 The Council has an established approach to risk management, which is set out in the Risk Management Framework. Risks are reviewed quarterly (as a minimum), and any high level (scoring 15+) risks are reported to the relevant Theme Committee and Policy and Resources Committee.

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

Project / MTFS proposal	Risk description(s)	Mitigation approach
Sports and Physical Activity Income	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Work is continuing to mitigate lost revenue and the future financial impact on the service continues to be subject to commercial assessment.
VAT efficient leisure contract	<ul style="list-style-type: none">• Achievement of this saving is dependent on complex legal and treasury arrangements and	<ul style="list-style-type: none">• Completion of a thorough legal and HMRC review and continued monitoring of VAT

	may therefore not materialise if legal and HMRC assurance is not received.	levels by finance.
All 'demand management' savings and income proposals	<ul style="list-style-type: none"> • Savings are inherently unpredictable given that they are linked to individual circumstances and needs • Barnet has already delivered significant efficiencies. Savings are therefore often reliant on meeting complex needs in different ways, which is challenging • Monitoring of savings is complex due to the challenges of predicting 'baseline' demand and avoided costs. 	<ul style="list-style-type: none"> • Service and finance colleagues will continue to work closely together to maximise savings achieved and evidence of this. • Investment in staffing resources to deliver savings initiatives.

5.7 Equalities and Diversity

5.7.1 Decision makers should have due regard to the public sector equality duty in making decisions. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows: A public authority must, in the exercise of its functions, have due regard to the need to: a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.7.2 The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

5.7.3 In order to assist in meeting the duty the Council will do the following and will also expect

this of our partners:

- Try to understand the diversity of our customers to improve our services
- Consider the impact of our decisions on different groups to ensure they are fair
- Mainstream equalities into business and financial planning and integrating equalities into everything we do
- Learn more about Barnet's diverse communities by engaging with them

5.7.4 The revenue savings sheet shown at Appendix A indicates where equalities impact assessments (EqIAs) have been carried out. Overall, nine EqIAs have been carried out, reviewed or refreshed. Most EqIAs identified a positive impact, and one identified a potential minor negative impact. Where any potential negative impact has been identified, mitigation measures have been clearly set out. Equalities impacts will continue to be kept under review and mitigating actions implemented where identified.

5.8 Corporate Parenting

5.8.1 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. Services referenced in this report are relevant to care experienced adults with care and support needs including eligible needs under the Care Act 2014. This includes those with special educational needs and disabilities, those with caring responsibilities and those requiring access to mental health services.

5.9 Consultation and Engagement

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

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

5.9.2 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

5.9.3 The outcomes of revenue savings discussions will go forward as recommendations to Policy and Resources Committee in December 2022 and be subject to public consultation and an updated equality impact assessment at a later stage.

5.9.4 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.

5.10 **Environmental Impact**

5.10.1 There are no direct environmental impacts arising from the recommendations in this report.

6. Background papers

6.1 None