



Cabinet

Title	Report of Overview and Scrutiny Committee to Cabinet: Recommendations on Business Planning and Medium-Term Financial Strategy 2024 – 2030
Date of Meeting	12 December 2023
Wards	All
Status	Public
Key	Non-Key
Relevant Portfolio(s)	All Cabinet Portfolios
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Summary

The Overview and Scrutiny Committee met on 21st November 2023 to review the forthcoming decision by Cabinet on 12 December 2023 relating to: Business Planning and Medium-Term Financial Strategy 2024 – 2030. Members of the two Sub-Committees (Children & Education, and Adults & Health) were invited to the Committee to scrutinise proposals relating to portfolios and services within the terms of reference.

Following consideration of the item, the Committee agreed to make the following recommendations to Cabinet.

Cabinet can either respond to the recommendations: verbally at the meeting; by way of a written addendum to be reported to Cabinet; or provide a written response after the meeting.

The Overview & Scrutiny Committee have requested that the Leader attend the meeting taking place on 23rd January 2024 to report back to the Committee responses to the recommendations below and to highlight how the budget proposals have changed following the public consultation period.

Recommendations to Cabinet

RESOLVED that the Overview and Scrutiny Committee

1. Having considered the contents of Business Planning and Medium-Term Financial Strategy 2024-2030 Report attached at Annex A (noting the remaining budget gap for 2024/25) had the following specific concerns and made the following recommendations for Cabinet to examine:

- 2. Notes that any changes made in the Autumn Statement on 22 November 2023 that impact the MTFS may be incorporated into the paper presented to Cabinet on 12 December 2023.**
- 3. Noting that the proposed budget relied on Community infrastructure Levy (CIL) to fund some revenue expenditure, noted that legal advice had been requested on the use of CIL as set out in the budget proposals.**
- 4. The Committee, being concerned about the level of NHS debt to the Council, recommends that Cabinet carry out its best endeavours to retrieve these monies and report progress back to the Overview and Scrutiny Committee.**
- 5. That Cabinet considers writing to the three local Members of Parliament to ask them to lobby the Secretary of State for Health to pay outstanding debts to the Council.**
- 6. The Committee, having sought clarification on the saving of £500,000 on adults with mental health needs, is concerned that Cabinet may need assurance on these savings proposals given the level of need within this area.**
- 7. The Committee further noting the expenditure within the budget that assumes funding coming in from the NHS, including £1 million in Continuing Health Care and £10 million in outstanding debt, recommends that Cabinet:**
 - a. Explore the fiscal relationship with the NHS as far as is practically possible.**
 - b. Consider the reality of transfer of funds from NHS and evaluate the likelihood of this money being received and the impact should the funding not materialise,**
 - c. Look at it in the aggregate (money coming from the NHS and money going to the NHS) to decide if it is feasible.**
- 8. The Committee having expressed concern about 'Adults 27', given that it is the largest saving and will require £3 million savings per year, recommend that more detail be provided about how this saving will be achieved, and request that Cabinet reconsider the saving to determine if it is achievable to save these significant sums of money within the time frame.**
- 9. The Committee, noting that Barnet has one the highest hospital discharge rates in London and the associated costs, recommend that Cabinet Member for Adults & Health jointly with the Chair of the Adults & Health Overview and Scrutiny Committee Sub-Committee write and call on the Government and North Central London Integrated Care Board to provide extra funding for people as they are discharged from hospital and need additional support to return home and main independence.**
- 10. That Cabinet give further consideration when savings are moved from the revenue to the capital budget to ensure this is an appropriate action to undertake (capitalisation of spending which could include borrowing).**
- 11. The Committee supports the use of new technology which may enable more citizens to be more independent and thereby not need intervention so ultimately produce savings be explored.**
- 12. The Committee noted that there was a new model under SSR7 (New operating model aligned to newly defined priorities in the Community Safety team) and questioned how savings would be achieved.**

1. Reasons for the Recommendations

- 1.1 The Overview and Scrutiny Committee met on 21st November 2023 to review the forthcoming decision by Cabinet on 12 December 2023 relating to: Business Planning and Medium-Term Financial Strategy 2024 – 2030. Members of the two Sub-Committees (Children & Education, and Adults & Health) were invited to the Committee to scrutinise proposals relating to portfolios and services within the terms of reference. Details of their comments and recommendations to Cabinet are detailed below.

Leader of the Council and Cabinet Member for Resources and Effective Council

- 1.2 The Chair invited Councillor Barry Rawlings, Leader of the Council and Cabinet Member for Resources and Effective Council, to give an overview of the budget proposals for the Council.
- 1.3 The Leader outlined the context, stating both local and national pressures had impacted the budget, from austerity, inflation, interest rates, increases in energy prices, the effects of the pandemic, a rising elderly population, more children with complex social care needs, and increased cost for temporary accommodation, especially in London, which cumulative resulted in significant shortfalls in the budget. The Council were working to address the issues by investing locally, building more council housing, helping people to live independently, and bringing children's social care provision for placements in-house.
- 1.4 In response to comments from the Committee on the high cost of social care placement packages, the Leader confirmed that pan-London work was ongoing with London Councils and the Council had engaged and was leading in the joint work being undertaken in to reduce the costs, especially in relation to children's social care placements.
- 1.5 In response to comments from the Committee on the value of buying houses that had already been built instead of building additional housing, the Leader confirmed that in doing so the council obtained twice as many houses for the same cost, increasing the housing stock and the associated Council Tax income.
- 1.6 The Committee queried if the Council would seek an above inflation increase in Council Tax despite the rate of inflation decreasing to 4.6%. In response, the Leader confirmed that while the inflation rate had slowed, prices were still rising, and the standard inflation rate widely used stood at 6.8%.

Cabinet Member for Homes and Regeneration

- 1.7 Councillor Ross Houston, Deputy Leader of the Council and Cabinet Member for Homes and Regeneration, gave an overview of the budget and savings proposals within his portfolio which was an area that covered income and investment in assets. He advised the Committee that the rising demand for housing, increased use of temporary accommodation, a 30% increase in homelessness applications, a 20% increase in private rents, while the local housing allowance had been frozen, and a falling supply in housing (down 40% across London), had all led to increased pressures on the budget. There were other pressure areas such as the cost of hotel accommodation, costs associated with the fire safety works, work on damp and mould, and the impact of reduced income from planning services. He reported that the Council were working to address these issues.

- 1.8 The Committee expressed concern that a shortfall in the Housing Revenue Account (HRA) may require input from the General Fund and the potential impact on the reserves and thus the planned Capital Programme. The Cabinet Member noted the concerns and the external pressures affecting the HRA, which were similar for councils across London. He confirmed that a detailed review of the account being undertaken with Barnet Homes to ensure that it was prudently managed. Furthermore, this was not an immediate risk, but one that had to be highlighted to ensure that Members were aware.
- 1.9 In response to questions, the Cabinet Member confirmed that the Colindale Gardens purchase would reduce pressures by £872,000 by reductions in the use of temporary accommodation, rental income, and Council Tax income. In response to a query about cash incentives to private landlords to reduce temporary accommodation being revenue raising, the Cabinet Member confirmed that scheme focused on larger family homes and this would be a net benefit by saving on expensive temporary accommodation.
- 1.10 In response to query on if the benefit of the New Homes Bonus continuing, the Cabinet Member confirmed it would add around £1,000,000 to the budget. The Committee noted that Barnet was the largest deliverer of new homes in outer London and the aim was to continue delivering homes of all tenures, with a particular emphasis on making homes affordable. In response to a question on the development of houses for home ownership, the Cabinet Member noted that while schemes such as shared ownership were becoming less popular, a range of options would be considered to support people into home ownership.
- 1.11 In response to comments, the Committee noted that Cabinet, in conjunction with London Councils, is lobbying the Government to review the Local Housing Allowance which had been frozen, and this freeze had severely impacted local councils.

Cabinet Member for Culture, Leisure, Arts and Sports

- 1.12 Councillor Ammar Naqvi, Cabinet Member for Cabinet Member for Culture, Leisure, Arts and Sports, gave an overview of the budget and savings proposals within his portfolio, which has identified £3.45 million worth of savings (and revenue increases) from leisure centres, and £470,000 worth of savings from libraries.
- 1.13 In response to a query on revenue raising opportunities, the Cabinet Member confirmed that several options were being explored including opportunities for growth in the film industry.
- 1.14 The Committee expressed concern about the £200,000 saving in relation to West Hendon Playing Fields. The Cabinet Member confirmed that this was related to income generation opportunities from the new facilities. In response to concerns about the reduction in the libraries budget, the Cabinet Member confirmed that the saving related to reduction in newspaper purchases which, following consultation, it had been identified were no longer widely read.
- 1.15 Noting that the proposed budget relied on Community Infrastructure Levy (CIL) to fund some revenue expenditure, the Committee requested that Cabinet get legal advice on the use of CIL as set out in the budget proposals was within the legal and geographical requirements for how CIL could be used.

Cabinet Member for Health and Wellbeing

- 1.16 Councillor Alison Moore, Cabinet Member for Health and Wellbeing, gave an overview of the main areas of responsibility within her portfolio covering public health, tackling health inequalities, and ensuring health is considered in all council policies. The Cabinet Member noted that Public Health was funded through the Public Health Grant.
- 1.17 In response to a query on fair funding, the Cabinet Member confirmed that while Barnet was one of the largest and most populous boroughs, it received one of the lowest public health grants and this had a significant impact on what could be delivered as the level of need had grown and become more complex. As such, there was a need to gather and use data, including the recent census data for the Barnet population, to highlight the levels of need and thus lobby government for appropriate funding.
- 1.18 In response to a query on how the £10 million debt owed to the Council by NHS would be recovered, noting that failure to recover the debt would have to come from the General Fund, the Cabinet Member reported outstanding monies related to historical care packages and disputes between health and education elements of children's care packages. She advised the Committee that lobbying was taking place to recover the debt.
- 1.19 The Committee were concerned about the level of NHS debt to the Council and recommended that Cabinet carry out its best endeavours to retrieve these monies and report progress back to the Overview and Scrutiny Committee. Furthermore, it was requested that Cabinet writes to the three local Members of Parliament to ask them to lobby the Secretary of State for Health to request that the NHS pay outstanding debts to the Council.
- 1.20 The Committee sought clarification on the saving of £500,000 on adults with mental health needs given the level of need within this area, and recommended Cabinet provide assurances on the potential impacts of these savings proposals.
- 1.21 The Committee further noting the expenditure within the budget that assumes funding coming in from the NHS, including £1 million in continuing health care and £10 million in outstanding debt, recommends the following concerns to Cabinet:
- a. Should explore the fiscal relationship with the NHS as much as is practically possible.
 - b. Should consider the reality of transfer of funds from NHS and evaluate the likelihood of this money being received and the impact should the funding not materialise.
 - c. Look at the money coming from the NHS and money going to the NHS in the aggregate to decide if it is feasible; and
 - d. Having done the above, provide update on the position to the Overview and Scrutiny Committee.

Cabinet Member for Adults and Health

- 1.22 Councillor Paul Edwards, the Cabinet Member for Adults and Health, gave an overview of the budget and savings proposals within his portfolio. He reported that the Local Government Association had stated there is a crisis in adult social care, with demand outstripping supply, especially following the pandemic. As such, the Council was keen to invest in reablement to enable people to stay in their own homes.
- 1.23 In response to a question, it was confirmed that the £300 self-funding brokerage fee was not a for profit for the Council and was used for planning and arranging, brokering and quality management of the move into a care home. In response to a query on the proposed saving under 'Adults 27 (reductions in demand pressures due to prevention work)', officers confirmed that the work was underway to develop these plans and that the use of new software and

technology which will predict people who need services and intervene earlier to prevent them from needing care, would realise this savings.

- 1.24 The Committee expressed concern about 'Adults 27', given that it is the largest saving and would require £3 million savings per year and recommend that more detail be provided about how this will be achieved and Cabinet reconsider saving 'Adults 27' to determine if it was achievable to save these significant sums of money within the time frame.
- 1.25 The Committee, noting that Barnet had one of the highest hospital discharge rates in London which led to additional costs for the Council on work relating to discharges including reablement and ongoing support, recommend that Cabinet Member jointly with the Chair of Adults & Health Overview and Scrutiny Sub-Committee, write to and call on the Government and North Central London Integrated Care Board to provide extra funding for people as they are discharged from hospital and need additional support to return home and maintain independence.
- 1.26 The Committee sought clarification on 'Adults 6' and the £1 million saving. Officers reported that this would capitalise telecare spending. The Committee recommended that Cabinet give further consideration when savings are moved from the revenue to the capital budget to ensure this was an appropriate action to undertake (i.e. capitalisation of spending which could include borrowing).

Cabinet Member for Family Friendly Barnet

- 1.27 Councillor Pauline Coakley Webb, Cabinet Member for Family Friendly Barnet, gave an overview of the budget and savings proposals within her portfolio. She highlighted that the Council were responsible for approximately 300 children in care and the top priority was their wellbeing.
- 1.28 The Cabinet Member highlighted the exceptionally high cost of placements for children and the profits being made by private providers, and questioned why the price was not capped nationally and them being run as "not for profit". The Committee noted that Cabinet Member in lobbying the Government to change the law and either cap the price of care placements, or that private providers were run as "not for profit" so that companies were not making a profit from vulnerable children. Officers confirmed that the placement provision being explored would be provided locally and was expected to be better provision if provided inhouse.
- 1.29 In response to questions on the reduction of agency staff and services, the Cabinet Member confirmed that having in-house foster carers would provide continuity for children in care which would be beneficial. In response a question on SEND transport savings, the Cabinet Member confirmed that every change made to services provided for children with additional needs would be assessed on a case-by-case basis to ensure that it was not detrimental to their wellbeing.
- 1.30 The Committee queried what provision was in place and what the impact would be should the expected £3 million in the Autumn Statement not materialise. Officers confirmed that they would need to implement some of the proposed savings, such as in-house placement care sooner to bridge the gap.

Cabinet Member for Environment and Climate Change

- 1.31 Councillor Alan Schneiderman, Cabinet Member for Environment and Climate Change gave an overview of the budget and savings proposals within his portfolio. He highlighted the savings

and stated that the Council were working towards making Barnet a cleaner and greener borough which had provided additional investment in roads and pavements, digital systems, and increased residential engagement through the Citizens and Youth Assembly. He also stated that the introduction of 2,000 Electric Vehicle (EV) charging points would generate approximately £800,000 income for the Council.

- 1.32 In response to questions from the Committee, the Cabinet Member stated that providing better maintenance for Barnet's roads and highways would prevent future potholes and damaged roads. It was also confirmed that with the proposed income generation schemes within this portfolio, resident engagement would be included in the final consideration of any changes.

Cabinet Member for Community Safety and Participation

- 1.33 Councillor Sara Conway, Cabinet Member for Community Safety and Participation, thanked officers in the Community Safety and Community Participation teams as they worked on building partnerships and creating a safer community for residents. In response to questions, the Cabinet Member stated that the CCTV transformation had been future proofed, and reviews were scheduled to ensure the effectiveness of the system.
- 1.34 In response to a query on the proposed £300K savings (New operating model aligned to newly defined priorities in the Community Safety team) under SSR7, Cabinet agreed to provide details of what the new model was and what the new priorities would be to archive the savings outside of the meeting.
- 1.35 Following consideration of the item, the Chair moved to vote on the recommendations set out in the 'Recommendation to Cabinet' section set out above which were unanimously agreed.

2. Alternative Options Considered and Not Recommended

- 2.1 N/A

3. Post Decision Implementation

- 3.1 Cabinet can either respond to the recommendations: verbally at the meeting; by way of a written addendum to be reported to Cabinet; or provide a written response after the meeting.
- 3.2 The Overview & Scrutiny Committee have requested that the Leader attend the meeting taking place on 23rd January 2024 to report back to the Committee responses to the recommendations below and to highlight how the budget proposals have changed following the public consultation period.

4. Corporate Priorities, Performance and Other Considerations

Corporate Plan

- 4.1 Our Plan for Barnet 2023 – 2026 has a priority of 'Being an engaged and effective council' where 'We will be open to scrutiny and transparent about the hard choices that we sometimes have to make.'

Corporate Performance / Outcome Measures

- 4.2 N/A

	Sustainability
4.3	N/A
	Corporate Parenting
4.4	N/A
	Risk Management
4.5	N/A.
	Insight
4.6	N/A
	Social Value
4.7	N/A
5.	Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)
5.1	N/A
6.	Legal Implications and Constitution References
6.1	<p>The Budget and Policy Procedure Rules (Council Constitution, Part 3D) require:</p> <p>1.1 The draft budget proposals of the Executive shall also be referred to the Overview and Scrutiny Committee for advice and consideration. A copy of the proposals shall be sent as soon as available to all members of that Committee.</p> <p>1.2 The Overview and Scrutiny Committee may conduct further consultation as it considers appropriate except that this should not duplicate any consultation already carried out or proposed to be carried out by the Executive and should not delay the timetable set out by the Executive.</p> <p>1.3 The Overview and Scrutiny Committee shall report to the Executive on the outcome of their consideration of the draft budget proposals and may make such recommendations, as it considers appropriate. The Executive must consider any report or recommendations made by the Overview and Scrutiny Committee before it submits its budget to the Council for approval. When making its report to the meeting of the Council on the budget the Executive must state how it has taken into account any recommendations from the Overview and Scrutiny Committee.</p> <p>1.4 Terms of reference of the Overview & Scrutiny Committee and Sub-Committees (Council Constitution, Part 2B, Terms of Reference of Committees and Sub-Committees includes: “9.2.2 Policy Development and Review – by supporting the Council and Executive in developing the policy framework and budget for the Council, working with partner organisations on issues that may be outside the remit of the Council and reviewing and/or scrutinising decisions made or actions taken in connection with the discharge of any of the Council’s functions”, and that they may “9.3.2.1 assist the Council, the Executive and Portfolio Holders in the development of the budget and policy framework by in-depth analysis of policy issues”.</p>
7.	Consultation
7.1	N/A

8. Equalities and Diversity
8.1 N/A
9. Background Papers
9.1 Overview and Scrutiny Committee, 21 November 2023, Item 7: Agenda for Overview and Scrutiny Committee on Tuesday 21st November, 2023, 7.00 pm (moderngov.co.uk)