

Meeting of the Council of the London Borough of Barnet

TO BE HELD ON

Tuesday, 7 March 2006 at 7.00pm

A G E N D A

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Council Meeting

7 March 2006

Please Note: In accordance with Paragraph 3 of the Council Procedure Rules only Parts 1 and 6 of the timetable apply to meetings of the Council to deal with the budget and council tax

Agenda and Timetable

Item	Subject	Time for Debate	Page Nos.
	<u>Part 1 - Statutory formalities/ Announcements (15 minutes)</u>	7.00pm – 7.15pm	
1.	Apologies for absence		
2.	Prayer		
3.	Minutes from last meeting		1 - 29
4.	Official announcements		
5.	Declarations of interest		
6.	Any business remaining from last meeting		
7.	To discuss the Mayoralty for the year 2005/2006		
	Part 6 - Statutory Council Business	7.15– 11pm	
8.	Report from Cabinet Report of Cabinet held on 27 February, 2006 - Council Budget and Council Tax 2006/07		To Follow
9.	Reports from overview and scrutiny committees		
10.	Reports from other council committees		
11.	Reports of officers		
11.1	Democratic Services Manager		30 - 43

Item	Subject	Time for Debate	Page Nos.
11.1.1	Vacancies on School Governing Bodies		
11.1.2	Establishment of a new temporary Governing Body for the Clitterhouse Infant and Nursery School and Clitterhouse Junior School		
11.1.3	Vacancies arising from reconstitution of School Governing Bodies		
11.1.4	Representation of the Council on Outside Bodies		
11.1.5	Representation of the Council on the Governing Body of Underhill Junior School		
11.1.6	Representation of teh Council on the Governing Body of Whitings Hill Primary School		
11.1.7	Members Allowances Scheme 2006-2007		To Follow
11.2	Monitoring Officer		

John Marr
Democratic Services Manager
Town Hall, The Burroughs, Hendon, NW4 4BG

Minutes

OF THE MEETING OF THE COUNCIL OF THE LONDON BOROUGH OF BARNET
held at The Town Hall, Hendon, NW4, on Tuesday, 31 January, 2006.

PRESENT:

*The Worshipful the Mayor (Councillor Andreas Tambourides)

*The Deputy Mayor (Councillor Victor Lyon, BA (Hons))

Councillors:

*Steve Blomer	* Arun Ghosh BSc BVSc&AH	*Matthew Offord
*Maureen Braun	MPhil CBIOL MIBIOL,	Monroe Palmer OBE, BA, FCA
* Fiona Bulmer	MSFAM, MAPHV, MRSM	Susette Palmer MA
*Terry Burton	*Brian Gordon, LL.B	*Wendy Prentice
*Anita Campbell	*Eva Greenspan BA, LL.B	*Barry Rawlings
* Wayne Casey BA (Hons)	(Hons)	*Colin Rogers
MIIA	*Andrew Harper	*Paul Rogers
*Danish Chopra	*Christopher Harris BA BSc	*Brian Salinger
*Jack Cohen	MPhil	*Gill Sargeant
*Melvin Cohen LLB	*Helena Hart	*Joan Scannell
*Brian Coleman, AM, FRSA	*Lynne Hillan	*Alan Schneiderman
*Katia David BSc, MBA, JP	*Sean Hooker, BA (Hons)	*Gerard Silverstone
*Jeremy Davies BA (Hons), CPFA	* Daniel Hope	*Agnes Slocombe SRN RM
*Peter Davis Ctext, FTI, FCFI	*Anne Hutton	*Ansuya Sodha MBA (Middx) Cert Ed, DipM (CIM), AMBA
*Aba Dunner MCIJ FCA	*Mark Langton	*Susan Steinberg
Olwen Evans ACIS	*Malcolm Lester FCCA	*Leslie Sussman, MBE
*Claire Farrier	*Kitty Lyons	*Phil Yeoman
*Anthony Finn BSc (Econ)	* Duncan Macdonald	*Soon-Hoe Teh
* Mike Freer	*John Marshall	*Jim Tierney
	*Linda McFadyen	Allan Turner
	*Kath McGuirk	*Zakia Zubairi
	*David Mencer	Vacancy
	*Alison Moore	
	*Jazmin Naghar	
	*Robert Newton	

*denotes Member present

139. PRAYER (Agenda Item 1):

The Mayor's Chaplain offered prayer.

140. APOLOGIES FOR ABSENCE (Agenda Item 2):

Apologies were received from Councillors Monroe Palmer, Susette Palmer, and due to illness from Councillor Olwen Evans and Councillor Allan Turner and Councillor David Mencer for lateness.

- 141. MINUTES OF MEETING HELD ON 20 DECEMBER 2005 (Agenda Item 3):
RESOLVED –That the minutes of the meeting held on 20 December, 2005
be approved.**

142. OFFICIAL ANNOUNCEMENTS (Agenda Item 4):

The Council celebrated the achievements of the youth of the borough.

The Worshipful the Mayor reported that Barnet's young swimmers had triumphed and had brought back the London Inter- Borough Finals Trophy to Barnet, with their score of 246 points, followed by Enfield with 223 points. The Worshipful the Mayor also referred to the commitment and skill of the trainers without whom the success would not have been possible. Jamil Mirza and Charlotte Creager received the trophy from the Worshipful the Mayor on behalf of the Team.

The Worshipful the Mayor then referred to the achievement of St James' Catholic High School in being one of the only two schools representing the United Kingdom at the 2006 European Youth Eco Parliament, in Paris, in October, 2006. The topic for the Parliament would be renewable energy, reflecting the School's work in connection with, and commitment to, the environment which had resulted in the school also securing funding for a wind turbine.

In presenting a Certificate of Achievement to Heather Ford and Stephen Haskins and recognising the tremendous contribution of Ms Anne O'Shea, Head Teacher, Mrs Janet Keir, Project Leader and Ms Lynne Kyle, Specialist College Manager, the Worshipful the Mayor commented that the environment was in safe hands.

143. TO RECEIVE DECLARATIONS OF PERSONAL AND PREJUDICIAL INTERESTS (Agenda Item 5):

The following personal and non – prejudicial interests were declared, with the Members concerned participating in the discussions and vote:

- Councillor Barry Rawlings, in Agenda Item 8.3, Motion in the name of Councillor Paul Rogers, as he was an LEA Governor on Hollickwood School.
- Councillors John Marshall and Matthew Offord in Agenda Item 12, Report of Cabinet dated 23 January, 2006, Item 2 : Unitary Development Plan – Direction from the Secretary of State because they held small share holdings in Tesco.
- Councillor Linda McFadyen

The following personal and prejudicial interests were declared. The Members concerned left the Chamber during the discussions and vote:

- Councillor Paul Rogers in Agenda Item 14.7, Report of the General Functions Committee dated 19 January, 2006, because he had relatives who were being made redundant
- Councillor Eva Greenspan in Agenda item 15.2.1, Vacancies on School Governing Bodies, because her son had been nominated for appointment to a vacancy.

144. BUSINESS REMAINING FROM LAST MEETING

None.

145. QUESTION TIME FOR MEMBERS (Agenda Item 7):

Questions were put to the Leader and the relevant Members of the Cabinet. The original answers provided are set out in the Appendix to these minutes. Details of the supplementary questions asked are not available owing to technical problems with the recording equipment.

With the agreement of the Leader of the Council, in accordance with the provisions of Council Procedure Rule 30.5, Councillor Jack Cohen asked the Leader of the Council for a report on the train derailment at Railway Cottages, NW2, on 31 January, 2006, including the situation regarding the evacuation of residents. The Leader gave brief details and assured Councillor Cohen that he would write to him the next day, once he had received a full Situation Appraisal.

146. VARIATION OF ORDER OF BUSINESS

Councillor Joan Scannell, duly seconded, moved that the order of business relating to Agenda Item 8 be varied so that Motions 8.3, 8.2 and 8.1 be heard first and in that order.

Upon being put to the vote, the motion was declared carried.

RESOLVED – That the order of business be varied to allow Motions 8.3, 8.2 and 8.1 to be heard first and in that order.

147. SUSPENSION OF COUNCIL PROCEDURE RULES

Councillor Barry Rawlings, duly seconded, moved that Council Procedure Rules be suspended to enable three speakers to address the Council before the Council debated Motion 8.3 as their comments were relevant to that Item.

Upon being put to the vote, the motion was declared carried.

RESOLVED – That Council Procedure Rules be suspended to enable three speakers to address the Council before the Council debated Motion 8.3.

As a consequence of this decision, with the consent of The Worshipful the Mayor, the Borough Solicitor advised the Council that the normal Public Participation Rules applicable to Council Committee meetings would apply. Debate on the Motion would follow, conducted in accordance with the Constitution.

148. PUBLIC SPEAKING - PROPOSED MERGER OF SCHOOLS:

The Council heard representations from Mrs Christine Gilchristiansen, Professor Philip Schofield, representative of the Governors of Hollickwood School and Mr Gordon Massey, representative of the Governors of Barnet Hill School. Mr Schofield presented a petition which, he indicated, contained over 1,400 signatures.

149. MOTION IN THE NAME OF COUNCILLOR PAUL ROGERS (Agenda items 8.3, 15.2. 4(i), 11(i) and 15(i):

Motion 8.3 in the name of Councillor Paul Rogers was moved. An amendment in the name of Councillor John Marshall was moved orally at the meeting, and amendments in the names of Councillor Anita Campbell and Councillor Duncan Macdonald were also moved.

Debate ensued. Upon being put to the vote, the amendment in the name of Councillor John Marshall was carried and that in the name of

Councillor Anita Campbell declared lost. Ten members demanded a Division on the voting on the amendment in the name of Councillor Campbell. Upon being taken, the results of the Division were declared as follows:

For	Against	Absent when vote taken
Councillors	Councillors	Councillors
Blomer	Tambourides	Monroe Palmer
Campbell	Lyon	Susette Palmer
Casey	Braun	Turner
Chopra	Bulmer	Evans
Jack Cohen	Burton	
Davies	Melvin Cohen	
Farrier	Coleman	
Ghosh	David	
Hooker	Davis	
Hutton	Dunner	
Langton	Finn	
Lyons	Freer	
Macdonald	Gordon	
McFadyen	Greenspan	
McGuirk	Harper	
Mencer	Harris	
Moore	Hart	
Rawlings	Hillan	
Colin Rogers	Hope	
Paul Rogers	Lester	
Sargeant	Marshall	
Schneiderman	Naghar	
Slocombe	Newton	
Sodha	Offord	
Teh	Prentice	
Tierney	Salinger	
Yeoman	Scannell	
Zubairi	Silverstone	
	Steinberg	
	Sussman	

For 28
 Against 30
 Absent 4
 Vacancy 1

The amendment in the name of Councillor Anita Campbell was, therefore, declared lost.

Upon being put to the vote, the amendment in the name of Councillor Duncan Macdonald was also declared lost.

Upon being put to the vote the substantive motion was declared carried.

RESOLVED – Council welcomes the fact that, after years of

neglect, this Borough will be investing in new buildings for our Primary Schools.

Council is appalled that so many of our Primary Schools are currently not fit for purpose, with many buildings in dire need of repair, and some too small for the number of children they are expected to accommodate.

Council believes that new, state-of-the-art buildings will dramatically improve the learning environment for our youngsters, build links with local communities, improve the IT facilities in our schools, and ensure the right number of school places are available in the right locations.

Council notes that there will be an extensive period of consultation and discussion with parents, teachers, pupils, and all stakeholders, to ensure the proposals benefit as many people as possible in the Borough. Council further notes proposals will be revised after this period and re-submitted to the Cabinet for approval.

Council welcomes the massive investment (the largest this Borough has ever seen), in Primary Education in Barnet, and calls on Cabinet to ensure the scheme progresses and that the children of this Borough receive the school facilities they so desperately deserve.

150. MOTION IN THE NAME OF COUNCILLOR ALISON MOORE (Agenda Item 8.2):

Motion 8.2 in the name of Councillor Alison Moore was moved. Debate ensued.

Upon being put to the vote the motion was declared carried.

RESOLVED – Council officially recognises 2006 as the 350th anniversary of the Resettlement of Jews in England, following the expulsion in 1290 when England became the first European country to expel Jews after a long period of persecution.

Council notes that in 1656, after the efforts of Rabbi Menasseh Ben Israel and a small group of Spanish and Portuguese Jewish families in London, representations resulted in permission to reside and practise their religious rites.

Council celebrates that fact that today the London Borough of Barnet is home to the largest Jewish community in the UK.

Council acknowledges the Jewish community's contribution to life in Barnet, to science, the arts, business, cuisine and charity, for the commitment to family, values of the culture, and to the enrichment of life in the Borough.

Council notes that the 350th anniversary serves as an example of how an immigrant community contributes to Britain, and is British in every sense of the word, yet remains true to its heritage.

Council encourages the Mayor and Cabinet to use the anniversary to reach out to all of Barnet’s communities and promote connection, co-operation and friendship, sharing the Jewish communal experience with others; and that the Cabinet should initiate and participate in events celebrating the 350th anniversary.

151. MOTION IN THE NAME OF COUNCILLOR WAYNE CASEY (Agenda items 8.1 and 15.2.15).

Motion 8.1 in the name of Councillor Wayne Casey was moved. Debate ensued. An amendment in the name of Councillor Brian Gordon was moved orally at the meeting. During the debate Councillor Gordon, in accordance with Council Procedure Rule 17B, altered the text of his amendment. Upon being put to the vote the amendment in the name of Councillor Brian Gordon, as amended by him at the meeting was declared carried. The substantive motion was declared carried.

Upon being put to the vote the substantive motion was declared carried.

RESOLVED – Council notes the decision of the Post Office to enter into a franchise with Supertex Trading Limited for the management of the Post Office at 35 The Broadway, Mill Hill.

Council deplores the fact that the Post Office’s “Consultation” with the public prior to this decision was extremely limited and half-hearted.

Council believes that the current facilities at Mill Hill Post Office are an invaluable resource, particularly to the elderly in the Mill Hill area, as endorsed by the recent massive petition and other expressions of feeling by the local public. Therefore any arrangements now being made in respect of the franchise must incorporate a guarantee that those facilities will be maintained and if possible improved.

Council instructs the Chief Executive to write to the Post Office urging them to take notice and act in accordance with this Motion. The Chief Executive should note in his letter, if it proves to be the case, that this Motion has unanimous support.

152. MOTION IN THE NAME OF COUNCILLOR JIM TIERNEY (Agenda Items 8.4 and 15.2.4 (ii) and 11(ii):

Motion 8.4 in the name of Councillor Jim Tierney and amendments in the names of Councillors Anita Campbell and Fiona Bulmer were put to the vote without debate. The amendment in the name of Councillor Fiona Bulmer was declared carried and that in the name of Councillor Anita Campbell, declared lost. Ten members demanded a Division on the voting on the amendment in the name of Councillor Campbell. Upon being taken, the results of the Division were declared as follows:

For	Against	Not voting	Absent when vote taken
Councillors	Councillors	Councillor	Councillors
Blomer	Tambourides	Langton	Monroe Palmer
Campbell	Lyon		Susette Palmer

Casey	Braun		Turner
Chopra	Bulmer		Evans
Jack Cohen	Burton		
Davies	Melvin Cohen		
Farrier	Coleman		
Ghosh	David		
Hooker	Davis		
Hutton	Dunner		
Lyons	Finn		
Macdonald	Freer		
McFadyen	Gordon		
McGuirk	Greenspan		
Mencer	Harper		
Moore	Harris		
Rawlings	Hart		
Colin Rogers	Hillan		
Paul Rogers	Hope		
Sargeant	Lester		
Schneiderman	Marshall		
Slocombe	Naghar		
Sodha	Newton		
Teh	Offord		
Tierney	Prentice		
Yeoman	Salinger		
Zubairi	Scannell		
	Silverstone		
	Steinberg		
	Sussman		

For 27
Against 30
Absent 4
Not voting 1
Vacancy 1

The amendment in the name of Councillor Anita Campbell was, therefore, declared lost.

Upon being put to the vote, the substantive motion was declared carried.

RESOLVED - Council notes the excellent progress Barnet's housing service has made in improving the service it provides to those in housing need and in providing those people with a wider range of housing options.

Council supports the Cabinet in not challenging the intervention of the Secretary of State that the Unitary Development Plan (UDP) threshold for the number of homes on a site before a developer must build affordable housing is reduced from 15 to 10 homes. Council also supports the Cabinet's UDP target that 50% of all new homes should be affordable.

Council asks the Cabinet to continue with its programme for affordable housing, social housing for rent and the regeneration of the borough's four major estates.

153. MOTION IN THE NAME OF COUNCILLOR MATTHEW OFFORD (Agenda Items 8.5 and 15. 2.11(ii) (a), (b) and (c):

Motion 8.5 in the name of Councillor Matthew Offord and amendments in the names of Councillor Kath McGuirk, Councillor Melvin Cohen and Councillor Jeremy Davies were put to the vote without debate. The amendment in the name of Councillor Melvin Cohen was declared carried, and those in the names of Councillors Kath McGuirk and Jeremy Davies were declared lost. The substantive motion was declared carried.

RESOLVED – Council notes that every year in the UK, the nation produces 28 million tonnes of household rubbish, with enough thrown away every hour to fill the Royal Albert Hall.

Council further notes that traditional means of disposing of this waste, through landfill, are almost full.

Council believes that groundbreaking projects are necessary in order to encourage households to recycle their waste.

Council applauds the unique Compulsory Recycling Scheme in Barnet that has led to our recycling rate jumping from 12 per cent to 29 per cent in 4 years, with 3 out of 4 residents actively taking part in the Black Box collection scheme.

Council notes that this initiative led to the Council being awarded the prestigious *Let's Recycle* Award for Excellence.

Council welcomes the news that this Borough has not only broken the government target of 27 per cent, but also looks set to smash its 30 per cent target of waste recycled this year, meaning that this authority would be awarded a LPSA grant of £629,000 to spend on services for our residents.

Council notes with dismay the government's decision to phase in a tonnage-based levy for the North London Waste Authority (NLWA) over three years, rather than altering the charge immediately from the present population-based one.

Council believes this will continue to grossly penalise Barnet, as this is a larger Borough than other members of NLWA. Council further believes that Boroughs such as Barnet, which reduce their waste through recycling should pay less than authorities that dump more.

Council calls on Cabinet to ensure we do indeed break our target, and further asks Cabinet to continue its work encouraging other local authorities to adopt Compulsory Recycling. Council requests that Cabinet writes, as a matter of urgency, to DEFRA, calling for the move to a tonnage-based levy to be introduced immediately to reflect this

Borough's excellent progress in reducing waste and increasing recycling.

154. MOTION IN THE NAME OF COUNCILLOR LYNNE HILLAN (Agenda Items 8.6 and 15. 2.11(iii):

Motion 8.6 in the name of Councillor Lynne Hillan and an amendment in the name of Councillor Soon-Hoe Teh were put to the vote without debate. The amendment in the name of Councillor Soon-Hoe Teh was declared lost. The motion was declared carried.

RESOLVED - Council notes the Comprehensive Performance Assessment (CPA), which forms part of an Inspection regime that costs £100 million a year.

Council believes that Councils should be accountable to the people they serve, rather than being forced into a "top down" model of accountability to central government.

Council welcomes the fact that Barnet Council embarks on an Annual Residents' Survey, and that in the last such survey 71% of local people said this authority does a Good Job, the highest rating in London.

Council notes the speech on 18 January by the Minister of Communities and Local Government, which promised a greater role for local people in holding Councils to account and a diminished role for Government.

Council further notes this statement looked to "*the development of the world beyond the current CPA from 2008*".

Council believes that, to build such a regime, removal of the Comprehensive Performance Assessment (CPA), a classic example of "Top-Down" regulation, is necessary.

Council calls on Cabinet to seek to persuade the ODPM that, in light of the Minister's statement about local accountability, the wasteful and ineffective CPA regime should be abolished.

155. MOTION IN THE NAME OF COUNCILLOR BRIAN COLEMAN (Agenda Item 8.7):

Motion 8.7 in the name of Councillor Brian Coleman was put to the vote without debate. The motion was declared carried.

RESOLVED - This Council notes recent media reports that the illegal regime in the occupied areas of Cyprus is driving forward a development plan in the occupied municipality of Morphou, which is twinned with the London Borough of Barnet. The plans indicate that a designated 'tourism area' of 1,000 square metres and a 17-kilometre road are amongst the features now destined for the beautiful and unspoilt countryside of Morphou.

Bearing in mind the special relationship between the London Borough of Barnet and the Municipality of Morphou, this Council calls upon the Chief Executive to write to the Secretary of State for Foreign and Commonwealth Affairs and the three MPs for the Borough urging them

to protest this blatant attempt to consolidate an illegal occupation and the violation of property rights it entails, and to appeal to UK residents not to purchase illegally built properties in the occupied zone.

156. ADJOURNMENT OF MEETING

In accordance with the Agenda, the Mayor adjourned the meeting for 15 minutes.

The meeting reconvened at 9.14pm

157. VARIATION IN THE ORDER OF BUSINESS

Councillor Brian Salinger, duly seconded, moved that the order of business be varied so that Part 6, Statutory Council Business, of the Agenda be heard before Parts 4, Policy Development and 5, Accountability.

Upon being put to the vote, the motion was declared carried.

RESOLVED – That the order of business be varied to allow Part 6, Statutory Council Business be heard before Parts 4 Policy Development,. and 5, Accountability.

158. REPORT OF CABINET 23 JANUARY, 2006 (Agenda Items 12 & 15.2.9)

Councillor Brian Salinger moved reception and adoption of the Report of Cabinet dated 23 January, 2006, with the following recommendations:

1. BARNET: A FIRST-CLASS SUBURB – A SUSTAINABLE COMMUNITY STRATEGY FOR BARNET, 2006 – 2016 (Report of the Leader of the Council – Agenda Item 4):

Cabinet considered the report of the Leader of the Council which has been circulated separately to all Members of the Council.

Cabinet agreed to minor corrections required in respect of errors in some of the measures of success (these are incorporated in the documents circulated to Council); subject to these and for the reasons set out in the Leader's report, Cabinet

RESOLVED TO RECOMMEND - That Council approve the Sustainable Community Strategy for Barnet in the light of the response to consultation outlined in the Leader's report.

2. UNITARY DEVELOPMENT PLAN – DIRECTION FROM THE SECRETARY OF STATE (Cab. Rept. 11/10/2005 – 1) (Report of the Cabinet Member for Planning & Licensing Services – Agenda Item 7):

Cabinet considered the report of the Cabinet Member, which has been circulated separately to all Members of the Council.

For the reasons set out in the Cabinet Member's report, Cabinet

RESOLVED TO RECOMMEND

That Council

- a) **agree the schedule of proposed modifications to the draft UDP set out in Appendix A in response to the direction from the Secretary of State;**

- b) agree to publish the modifications for the statutory six week consultation period during which time representations may be made on the proposed modifications;
- c) proceed to adoption if no representations are received.”

Debate ensued.

Upon being put to the vote, it was

RESOLVED – That the Report of Cabinet dated 23 January, 2006, be approved and adopted.

159. REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEES (Agenda Item 13):

There were none.

160. REPORT OF THE LICENSING COMMITTEE, 5 JANUARY, 2006, (Agenda Item 14.1):

Councillor Brian Coleman moved reception and adoption of the Report of the Licensing Committee dated 5 January, 2006, with the following recommendations:

1. LICENSING ACT 2003: ENFORCEMENT PROGRAMME (Report and Supplemental Report of the Interim Head of Environmental Services – Agenda item 4):

The Committee considered the report and supplemental report of the Interim Head of Environmental Services, which has been circulated separately to all Members of the Council.

The Committee were advised that, with respect to the enforcement programme, it was proposed that Licensing Officers would carry out inspection regime, indicated in Appendix A to this item, of all categories of premises, to meet licensing objectives . However, this work would be in addition, to inspections in response to complaints about individual premises

The Committee, having made decisions relating to the further operation of the Licensing Act 2003 and the process for implementing the Gambling Act 2005, as set out in Item 4 of their Decisions dated 5 January, 2006,

RECOMMEND –

- (1) That the Licensing Act 2003 Enforcement Programme be Complaints – led by members of the public and Ward Members, but otherwise at the minimum level to meet licensing objectives, as set out in Appendix A to this item.
- (2) That the Interim Head of Environmental Services be instructed to take the appropriate action.

Inspection Regime

Appendix A

Premises type	Frequency
Public Houses	1 per year
Night Clubs	2 per year
Restaurants	Every 3 years
Night take – away premises	1 per year
Off licenses	Every 2 years
Sports Grounds	5 per year
Theatres/cinemas	1 per year
Membership clubs	Every 3 years
Temporary Events	200 per year
Gambling premises	Every 2 years

Upon being put to the vote, it was

RESOLVED – That the Report of the Licensing Committee dated 5 January, 2006, be approved and adopted.

161. REPORT OF THE GENERAL FUNCTIONS COMMITTEE DATED 19 JANUARY, 2006 (Agenda Items 14.2 & 15.2.10).

Councillor Joan Scannell moved reception and adoption of the Report of the General Functions Committee dated 19 January, 2006, with the following recommendations:

1. RESTRUCTURE OF THE BENEFITS SERVICE (Report of the Head of Housing – Agenda Item 7)

The Head of Housing circulated a revised Appendix A – Proposed Structure.

The Committee considered the report of the Head of Housing. In accordance with Paragraph 5.3 of Part 3 of the Constitution three members of the Committee required that the Committee make a recommendation to Council on this matter, and the Committee accordingly

RESOLVED TO RECOMMEND -

(1) That the proposed restructure of the Benefits Service be approved and be effective from 1 April 2006.

(2) That any employee displaced as part of the assimilation process be redeployed in accordance with the Council's Managing Change Policy.

(3) That employees who are not successfully redeployed or assimilated into the revised structure be released on grounds of redundancy under the Council's standard scheme.

(4) That the Head of Housing be instructed to issue notices of redundancy as appropriate and to capitalise any costs arising from the redundancies.

2. BUDGET 2006/2007 (Report of the Director of Resources – Agenda Item 8)

The Director of Resources advised the Committee that the number of staff reductions in Appendix A was currently 83 and circulated a list of Vacant Posts Identified for Deletion as Part of the 2006/7 Budget Reductions.

The Committee considered the report of the Director of Resources. In accordance with Paragraph 5.3 of Part 3 of the Constitution three members of the Committee required that the Committee make a recommendation to Council on this matter, and the Committee accordingly

RESOLVED TO RECOMMEND -

(1) That Council are asked to confirm the list of posts affected by the budget set out in Appendix A.

(2) That following

(i) completion of the statutory consultation with Trade Unions and

(ii) the selection of staff for redundancy in accordance with the Selection Criteria as set out in Appendix B

the Director of Resources be instructed to serve the redundancy notices.”

Debate ensued.

Upon being put to the vote, it was

RESOLVED – That the Report of the General Functions Committee dated 19 January, 2006, be approved and adopted.

162. VACANCIES ON SCHOOL GOVERNING BODIES (Report of the Democratic Services Manager - Agenda Items 15.2.1 and 7):

The Democratic Services Manager's report set out details of the appointments or nominations to be made.

Nominations in the names of Councillors Joan Scannell, and Danish Chopra were moved.

RESOLVED –

That the following persons be appointed or nominated as the case may require filling the vacancies referred to for the period indicated in the report of the Democratic Services Manager:

VACANCY REFERENCE	PARTICULARS OF APPOINTMENT OR NOMINATION	PERSON APPOINTED OR NOMINATED
P.11.1	Church Hill School	Defer
P.38.a.1	Deansbrook Infant School	Mr Hugh Rayner
P.40.2	Fairway Primary School	Mrs Margaret Stevens
P.45.3	Grasvenor Avenue Infant School	Councillor Daniel Hope (Deferral unsuccessful)
P.06.1	Livingstone Primary School	Defer
VP.30.1	Mathilda Marks Kennedy School	Mr Jason Greenspan (Ms Ruth Nyman was unsuccessful)
SP.03.2	Oakleigh School	Mr Sachin Rajput (Deferral unsuccessful)
VP.16.1	St Joseph's RC Junior School	Mrs Maria Sylvia Accurso
*P.03.2	Whitings Hill Primary School	Mr Daniel Webb
*P.03.3	Whitings Hill Primary School	Councillor Anita Campbell
VS7.2	St Marys CE High School, NW4	Defer

*NOTE: It subsequently transpired that one appointment only was required at Whitings Hill Primary School. The matter will, therefore, be the subject of a report to the next meeting of Council.

163. VACANCIES ARISING FROM RECONSTITUTION OF SCHOOL GOVERNING BODIES (Report of the Democratic Services Manager - Agenda Item 15.2.2):

The Democratic Services Manager's report set out details of the appointments or nominations to be made.

Nominations in the names of Councillors Joan Scannell, Danish Chopra and Jeremy Davies were moved.

RESOLVED –

That the following persons be appointed or nominated as the case may require to fill the vacancies referred to for the period indicated:

VACANCY REFERENCE	PARTICULARS OF APPOINTMENT OR NOMINATION	PERSON APPOINTED OR NOMINATED
VP.04.1 P.25.1	Blessed Dominic RC School Chalgrove Primary School	Mr Jimi Odumosu Councillor Leslie Sussman
P.25.2 P.25.3	Chalgrove Primary School Chalgrove Primary School	Ms Sheeta Nehra Councillor Helena Hart
P.04.2 P.04.4	Foulds School Foulds School	Mrs Sally Graham Councillor Wendy Prentice
VP.17.1 P.33.2 P.33.3 P.20b.1 P.20b.4 *P.1b.1	St Josephs RC Infant School The Hyde Primary School The Hyde Primary School The Martin Junior School The Martin Junior School Underhill Junior School	Mr Peter Greenhill Mr Gordon Mott Mr Gerry Kirby Ms Helen Drake Ms Polly Napper Councillor Anita Campbell
*P.1b.2 S.13.2	Underhill Junior School Whitefield School	Mrs P Lane Councillor Melvin Cohen
S.13.3 S.13.4	Whitefield School Whitefield School	Mr S Deller Councillor Agnes Slocombe
P.03.1	Whitings Hill Primary School	Councillor Daniel Hope
P.03.4	Whitings Hill Primary School	Mrs Judy Copping – Joyce

*NOTE: It subsequently transpired that one appointment only was required at Underhill Primary School. The matter will, therefore, be the subject of report to the next meeting of Council

164. REPRESENTATION OF THE COUNCIL ON OUTSIDE BODIES (Report of the Democratic Services Manager - Agenda Item 15.2.3 and 13):

The Democratic Services Manager's report set out details of the appointments or nominations to be made.

Nominations in the names of Councillor Joan Scannell and Councillor Danish Chopra were moved.

RESOLVED – That the following persons be appointed or nominated as the case may be to fill the vacancies referred to for the period indicated in the report of the Democratic Services Manager:

VACANCY REFERENCE	PARTICULARS OF APPOINTMENT OR NOMINATION	PERSON APPOINTED OR NOMINATED
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9803	School Organisation Committee	Councillor Fiona Bulmer (Councillor Barry Rawlings was unsuccessful)
BCAB.1	Barnet Citizens' Advice Bureau	Councillor Terence Burton (Councillor Jim Tierney was unsuccessful)
BCAB.2	Barnet Citizens' Advice Bureau	Councillor Wendy Prentice (Councillor Gill Sargeant was unsuccessful)

165. LEADER'S SCHEME OF DELEGATION (Report of the Democratic Services Manager – Agenda item 15.2.5)

The Democratic Services Manager submitted changes made by the Leader to Cabinet portfolios, as set out in the Appendix to these Minutes and reported the Leader's advice that he would be chairing the Cabinet Equalities and Social Inclusion Committee.

The Democratic Services Manager reported that the relevant changes would be made to Part 3 of the Council's Constitution, Responsibility for Functions.

166. TRANSPORT FOR LONDON BILL (CI. 20/12/05 – 122) (Report of the Democratic Services Manager Agenda Item 15.2.6).

RESOLVED:

(1) That in order to protect the interests of the inhabitants of the Borough the Council do oppose the Transport for London Bill which is being promoted in the present session of Parliament.

(2) That the Borough Solicitor be authorised to take all such steps and do and perform all such acts on behalf of the Council as he may consider necessary or expedient in relation to such opposition, including the affixing of the Common Seal to any Petition or other document, and the instructing of Counsel, Agents and witnesses.

167. CHIEF OFFICERS APPOINTMENTS PANEL FOR CHIEF EXECUTIVE'S APPRAISAL (Report of the Democratic Services Manager – Agenda Item 15.2.8)

Nominations in the names of Councillor Joan Scannell, Councillor Danish Chopra and Councillor Jeremy Davies were moved.

RESOLVED – That the Council appoint the following Chief Officer Appointment Panel to carry out the annual appraisal of the Chief Executive:

Chairman: Councillor Brian Salinger

Vice – Chairman : Councillor Mike Freer

Councillors Anthony Finn, Alison Moore, Danish Chopra and Monroe Palmer

Substitutes: Councillors Daniel Hope, Wendy Prentice, Linda McFadyen, Ansuya Sodha, Wayne Casey.

168. VACANCIES ON THE GOVERNING BODY OF THE MARTIN JUNIOR SCHOOL (Report of the Democratic Services Manager Agenda Item 15.2.12)

Councillor Joan Scannell and Councillor Danish Chopra moved the nominations in their names.

RESOLVED - That the following persons be appointed until reconstitution of the governing body, and then for a further four years

Vacancy Ref	Person Appointed
P.20b.2	Mr Richard Ableson
P.20b.3	Defer (Dr Ruth Brown was unsuccessful).

169. SPECIAL COMMITTEE (CONSTITUTION REVIEW) (Report of the Democratic Services Manager -Agenda Item 15.2.14)

RESOLVED – That the following Members be appointed to the Special Committee (Constitution Review):

Councillor Alison Moore

Councillor Danish Chopra

Councillor Alan Schneiderman

Substitutes: Councillor Kath McGuirk and Councillor Jim Tierney.

170. CHANGES IN COMMITTEE MEMBERSHIPS (Report of the Democratic Services Manager – Agenda Item 15.2.16)

RESOLVED: That the following changes be made to the Cleaner, Greener, Transport and Development Overview and Scrutiny Committee: Councillor Robert Newton to replace Councillor Malcolm Lester as Substitute.

171. ADMINISTRATION POLICY ITEM: SAFER NEIGHBOURHOOD TEAMS (Agenda Items 9.1 and 15.2.11(iv))

Councillor Brian Salinger proposed the item and moved that it be adopted. Amendments in the names of Councillors Sean Hooker and Alan Schneiderman were moved. Debate ensued. Upon being to the vote, the amendments in the names of Councillors Hooker and Schneiderman were declared lost. Upon being put to the vote, the motion was declared carried.

RESOLVED - Council notes the Safer Neighbourhood Teams that currently patrol eight Barnet wards on a pilot basis.

Council further notes that, given our wards are so much larger than in other Boroughs, Barnet should be given more Officers per ward to cover the extra population.

Council is dismayed that this is currently not the case, and that our Safer Neighbourhoods wards are under-Policed compared to pilot areas in other Boroughs.

Council notes the announcement that Safer Neighbourhood Teams will be rolled out Borough-, and London- wide by the end of April 2006.

Council was initially disappointed that no pledge was made by the Metropolitan Police Authority (MPA) to increase the number of Officers provided in each Barnet ward team relative to other boroughs with smaller wards, to ensure our large wards are properly Policed.

Council however notes the statement on 10 January 2006 by the Commissioner of the Metropolitan Police, Sir Ian Blair, that larger wards in London may receive an “Enhanced” Safer Neighbourhood Team by 2007, meaning that there would, indeed, be more Police staff patrolling streets in these areas.

Council further notes that every ward in Barnet would be large enough to qualify for the “Enhanced” Model.

Council believes this tremendous result is testament to the considerable lobbying undertaken on the issue by Barnet Council and the *Barnet Press*.

Council understands that questions do remain as to how these larger teams will be financed.

Council calls on Cabinet to write to the Metropolitan Police Authority (MPA), applauding the statement by the Commissioner. Cabinet is also asked to work closely with the MPA to ensure the goal of larger Safer Neighbourhood Teams (and more Police on Barnet’s streets), is finally realised.

172. OPPOSITION POLICY ITEM: YOUTH SERVICE AND FACILITIES (Agenda Item 9.2, and 15.2.4(iii) and 15(ii)).

Councillor Alan Schneiderman proposed the item and moved that it be adopted. Amendments in the names of Councillor John Marshall, which was moved orally at the meeting, Councillor Steve Blomer and Councillor Anita Campbell were moved. Debate ensued. Upon being put to the vote, the amendments in the names of Councillor Blomer and Councillor Campbell were declared lost. The Amendment in the name of Councillor Marshall was declared carried. The substantive motion was declared carried.

RESOLVED – Council welcomes the work undertaken by Barnet to improve Youth Services since 2002.

Council notes that, in 2002, our Youth Provision failed an OFSTED inspection, but, just a year later, it passed with flying colours.

Council welcomes the joint working with the *Connexions* service, one that brings joined-up thinking and pools resources towards delivering better activities for young people.

Council further welcomes the partnership with the Hornsey YMCA that will be re-opening the Church Farm Youth Centre very shortly.

Council notes that graffiti removal rates in this Borough are excellent (e.g.: 97% of Town Centre graffiti removed within a day), and that our

most deprived estates are being comprehensively regenerated by this administration.

Council calls on Cabinet to continue the work with external partners to provide services to young people fit for the 21st century, and also continue the successful work across this Borough to tackle anti-social behaviour.

173. COMMENTS RELATING TO THE WORK OF CABINET (Agenda item 10)

Comments were made by Councillors Anne Hutton, Jack Cohen, Steve Blomer and Anita Campbell. Councillor Offord responded to the first three and Councillor Finn the fourth. Details of the full Comments and of the Responses are not available due to technical problems with the recording equipment.

The meeting finished at 11pm

3. RESPONSIBILITY FOR EXECUTIVE FUNCTIONS

General

3.1 All the local authority functions that are not mentioned in the first two tables, or reserved to Council in Article 4, are executive functions. These are the responsibility of

- Individual members of the Executive (the Leader and members of the Cabinet)
- The Cabinet Meeting
- Cabinet Committees
- Area Sub-Committees (see 3.10 below)
- Joint Committees (see Article 11)
- Officers (see section 6 below)

Amended Cl. 17/5/05

Cabinet Members

- i. Set out below is a table in the first column of which are listed the names, addresses and wards of Cabinet Members.
- ii. The second column sets out each Cabinet member's functions and the third column summarises what has been delegated.

For the Tables in Part 3, proposed new text is shown **Bold**

Executive Member and Portfolio	Responsibilities	Delegation
<p>Cllr. Brian Salinger 32 The Ridgeway London N11 3LJ</p> <p>Oakleigh Ward</p> <p>LEADER</p>	<p>The Leadership of the council.</p> <p>To lead on budget and policy formulation and implementation in relation to community engagement. In particular, to build upon the Council’s leadership role in embracing diversity and inclusiveness, removing inequality and promoting the London Borough of Barnet as a centre of excellence. To set the strategic direction for the development of effective community involvement in all aspects of the Council’s work.</p> <p>To lead on employee relations in particular to allow staff to reach their full potential to the benefit of the Council and to promote a culture of learning and achievement.</p> <p>Specific individual responsibilities:</p> <ul style="list-style-type: none"> • Communications, media relations and marketing • Community Safety • Law and probity issues 	<p>The Leader may discharge any function of the Executive.</p>

Executive Member and Portfolio	Responsibilities	Delegation
<p>Cllr. Christopher Harris 21 Meadway Court Meadway Hampstead Garden Suburb NW11 6PN</p> <p>Golders Green Ward</p> <p>CHILDREN</p>	<p>To lead on budget and policy formulation and implementation in relation to the Children Act 2004. In particular, to enhance the Council's corporate parenting role and to champion the causes of all children in the London Borough of Barnet, optimising opportunities to reduce and remove disadvantage.</p> <p>Includes Children's Social Services and the Youth Offending Team and the advantages offered by working with other agencies to secure a seamless approach to all aspects of children's services. To drive forward the Youth Justice Plan and ensure its approval annually, by full Council. Also to be involved in, and promote, discussions in relation to any matters within the portfolio.</p>	<p>The general powers delegated to Cabinet Members are set out below.</p> <p>Certain functions are delegated to officers, in consultation with the Cabinet Member. These are set out in Paragraph 6 of Part 3 of the Constitution.</p>

Executive Member and Portfolio	Responsibilities	Delegation
<p>Cllr. John Marshall 66 Sandringham Gardens London N12 0PJ</p> <p>Garden Suburb Ward</p> <p>EDUCATION AND LIFELONG LEARNING</p>	<p>To lead on budget and policy formulation and implementation in relation to education and lifelong learning. In particular, to raising and enhancing standards, ongoing education and services to schools, Early Years Provision and the Youth Service. Positively to encourage integration of all schools within the London Borough of Barnet into the community to achieve the best possible opportunities for education and lifelong learning.</p> <p>All matters associated with schools (Community, Voluntary and Foundation) and the teaching and development of children and young persons and the optimising of opportunities to further the same (including pre-school preparation).</p> <p>Positively to encourage and promote adult education to minimise literacy and numeracy problems in adults and to offer opportunities for developing and enhancing their skills and to further this via the current Lifelong Partnership contract with Barnet College, and to encourage other institutions which provide such opportunities.</p>	<p>The general powers delegated to Cabinet Members are set out below.</p> <p>Certain functions are delegated to officers, in consultation with the Cabinet Member. These are set out in Paragraph 6 of Part 3 of the Constitution.</p>

Executive Member and Portfolio	Responsibilities	Delegation
	<p>To lead on budget and policy formulation and implementation in relation to the promotion of libraries, museums and the arts as accessible opportunities for learning</p> <p>Also to be involved in, and promote discussions in relation to any matters within the portfolio.</p>	
<p>Cllr. Matthew Offord 6 Cousins Court Alwyn Gardens NW4 4XW</p> <p>Hendon Ward</p> <p>ENVIRONMENT AND TRANSPORT</p>	<p>To lead on budget and policy formulation and implementation in relation to the environment and transport. In particular, promoting the reputation of the London Borough of Barnet as a clean and green borough, with a transport infrastructure designed to meet the needs of today and the challenges of the future. This to include the development of a waste minimisation strategy.</p> <p>Also to promote the better integration of privately rented properties into the borough's housing framework, including the distribution of grants, as necessary, for the adaptation of private properties, to further care in the community.</p>	<p>The general powers delegated to Cabinet Members are set out below.</p> <p>Certain functions are delegated to</p> <ul style="list-style-type: none"> • Area Sub-Committees as set out in paragraph 3.10 below. • Officers, in consultation with the Cabinet Member, as set out in Paragraph 6 of Part 3 of the Constitution.

Executive Member and Portfolio	Responsibilities	Delegation
	<p>All matters relating to the development and management of the environment, including:</p> <ul style="list-style-type: none"> • the street scene including pavements and all classes of roads; • parking provision; • refuse and recycling; • graffiti removal; • waterways; • parks and open spaces; • trees (includes public highways, council housing estates and in parks); • allotments; • transport and transport initiatives. <p>Environmental health and trading standards. Also to be involved in and promote discussions in relation to any matters within the portfolio.</p>	
<p>Cllr. Lynne Hillan 20 Ashurst Road North Finchley London, N12 9AX</p> <p>Brunswick Park Ward</p> <p>POLICY AND PERFORMANCE</p>	<p>To lead on budget and policy formulation and implementation in relation to:</p> <ul style="list-style-type: none"> • Policy and Performance (including Partnerships) • CPA and Best Value • Law and Probity 	<p>The general powers delegated to Cabinet Members are set out below. In addition this cabinet Member may approve grants to voluntary organisations, up to £20,000 per annum.</p>

Executive Member and Portfolio	Responsibilities	Delegation
	<p>In particular the effectiveness and value in performance of council services and the distribution of all grants, except those relating to the adaptation of properties in the private sector, after consultation with appropriate portfolio holders. The development of partnerships to further the Council's Community and Corporate Plans and an effective consultation structure.</p> <p>To secure the most beneficial terms for services and goods provided to the council.</p> <p>All aspects of performance and delivery of council services, and to instigate such interventions as required, including consultation with the Cabinet Member for Resources, as necessary, to secure best value.</p> <p>Also to be involved in and promote discussions in relation to any matters within the portfolio.</p>	<p>Certain functions are delegated to officers, in consultation with the Cabinet Member. These are set out in Paragraph 6 of Part 3 of the Constitution.</p>

Executive Member and Portfolio	Responsibilities	Delegation
<p>Cllr Anthony Finn 4 Cheyne Walk Hendon London NW4 3QJ</p> <p>Hendon Ward</p> <p>REGENERATION AND DEVELOPMENT</p>	<p>To lead on budget and policy formulation and implementation in relation to regeneration.</p> <p>In particular, economic and strategic development, town centre regeneration, and policies and opportunities for the enhancement and enrichment of the London Borough of Barnet.</p> <p>To promote partnerships and opportunities for the economic development of the borough. Also to be involved in and promote discussions in relation to any matters within the portfolio.</p>	<p>The general powers delegated to Cabinet Members are set out below.</p> <p>Certain functions are delegated to</p> <ul style="list-style-type: none"> • Area Sub-Committees as set out in paragraph 3.10 below. • Officers, in consultation with the Cabinet Member, as set out in Paragraph 6 of Part 3 of the Constitution.

Executive Member and Portfolio	Responsibilities	Delegation
<p>Cllr Mike Freer 23 Claverley Grove Finchley N3 2DG</p> <p>Finchley Church End Ward</p> <p>RESOURCES</p>	<p>Deputy Leadership of the council.</p> <p>To lead on budget and policy formulation and implementation in relation to the effective management of human resources and the development of effective HR planning, policies and initiatives.</p> <p>To lead on major corporate contracts including the partnership with Greenwich Leisure.</p> <p>To lead on budget and policy formulation and implementation in relation to the provision of effective customer services and the delivery of customer-focussed services.</p> <p>To lead on budget and policy formulation and implementation in relation to:</p> <ul style="list-style-type: none"> • Resources • the Council's budget and budget strategy and medium term financial plan • Housing Benefits • Risk Management • Asset Management Plan • Information Systems 	<p>The general powers delegated to Cabinet Members are set out below.</p> <p>In addition this Cabinet Member has the power to agree virements up to £250,000 in consultation with Cabinet Resources Committee and to accept the highest bid on a proposed property disposal subject to that bid not exceeding £1,000,000 and no more than 10% below the estimated disposal value.</p>

Executive Member and Portfolio	Responsibilities	Delegation
	<p>The monitoring of the council's budget and to instigate such interventions as necessary to ensure spending is kept within limits determined by council.</p> <p>Also to be involved in and promote discussions in relation to any matters within the portfolio.</p>	<p>Certain functions are delegated to officers, in consultation with the Cabinet Member. These are set out in Paragraph 6 of Part 3 of the Constitution.</p>
<p>Cllr. Fiona Bulmer 14 Sellwood Drive Barnet Herts EN5 2RL</p> <p>Underhill Ward</p> <p>COMMUNITY SERVICES</p>	<p>To lead on budget and policy formulation and implementation in relation to social care, housing and the emerging public health agenda (including health partnerships).</p> <p>In particular, promoting the best possible adult social services and seamless care in the community by working with and optimising all opportunities offered by the health authorities and other providers to further these aims.</p> <p>In particular working with the Barnet Homes, Housing Associations and other providers, to secure the optimum provision and associated environmental, neighbourhood development and social facilities for all those members of the community not living in private accommodation, or for those who require public sector housing.</p> <p>All matters related to public sector housing.</p>	<p>The general powers delegated to Cabinet Members are set out below.</p> <p>Certain functions are delegated to officers, in consultation with the Cabinet Member. These are set out in Paragraph 6 of Part 3 of the Constitution.</p>

	Also to be involved in and promote discussions in relation to any matters within the portfolio.	
<p>Cllr Melvin Cohen 146 Broadfields Avenue Edgware HA8 8SS</p> <p>Golders Green Ward</p> <p>PLANNING AND LICENSING SERVICES</p>	<p>To lead on budget and policy formulation and implementation in relation to planning, development plans, building and property construction and licensing, other than matters relating to the Licensing Act 2003.</p> <p>To include all aspects of the development and development control service, Building Control. Naming and numbering of streets and properties.</p>	<p>The general powers delegated to Cabinet Members are set out below.</p> <p>Officers, in consultation with the Cabinet Member, as set out in Paragraph 6 of Part 3 of the Constitution.</p>

REPORT OF CABINET

27 February 2006

Cabinet Members:

Cabinet Members:

*Cllr Brian Salinger (Chairman)

Councillors:

* Fiona Bulmer	Mike Freer	* John Marshall
Melvin Cohen, LL B	* Christopher Harris	* Matthew Offord
* Anthony Finn BSc	BA BSc MPhil	
Econ FCA	* Lynne Hillan	

* denotes member present

\$ denotes member absent on council business

1. **COUNCIL BUDGET AND COUNCIL TAX 2005/06 (Report of the Leader of the Council and the Cabinet Member for Resources – agenda item 4):**

The Cabinet Members submitted, in the following terms, their proposed recommendations to Council on the 2005/6 budget and council tax (the Cabinet Member for Resources being absent, Cllr Lynne Hillan spoke on his behalf in presenting the report).

The Council's budget was a financial expression of its services and levels of provision but also a conditioner of them. It linked the priorities and objectives of the Council as expressed in the Corporate Plan having regard to resources available and taxation consequences of spending decisions. This had been reinforced by the officers' Budget Board Policy-Led review of services and budgets at the start of the 2006/07 budget process.

The Council was required by law to set its budget having considered its estimates of expenditure and income, and for its call on the collection fund to be sufficient to meet its budget needs. This had to be done before 11 March 2006, and a meeting of the Council had been arranged for 7 March 2006 to achieve this.

Financial risks were addressed in the advice on reserves and balances from the Chief Finance Officer attached as Appendix A to the Cabinet Members' report, and which is attached as part of this report to Council. A significant emerging risk, however, was the capitalisation of redundancies for 2005/06 and 2006/07, which was currently estimated at close to £3m and would impact directly on balances if not achieved.

For the HRA, further slippage in the regeneration scheme programmes increased the risk of escalating repairs costs. The HRA Business Plan assumed a minimal level of repairs for those estates, based on a programme of demolition which has already slipped.

In Appendix A to the Cabinet Members' report, the Chief Finance Officer recommended that Cabinet consider his report on reserves and balances and determine an appropriate level of balances and a strategy for achieving that level in 2006/07 and subsequent years. It was noted, however, that balances were currently not forecast to be by 31.3.06 or 31.3.07 at a level recommended by the Chief Finance Officer.

The Council's Constitution required Cabinet to take account of recommendations from the external auditor on matters such as the level of reserves and provisions. Relevant comments from the External Auditor were included in Appendix A (section 10).

Staffing implications arising from the budget proposals had been reported to the General Functions Committee on 19 January 2006.

ICT and property implications were included in the Forward Plan statements at Appendix C to the Cabinet Members' report.

It was a requirement of the Local Government Act 2003 that the Council should have regard to the Chief Finance Officer's report on the adequacy of balances when making the budget calculations. Any decision by Council on the level of reserves that differed from that of the Chief Finance Officer would need to be recorded in the decision to demonstrate the Council had fulfilled this statutory requirement.

The Local Government Act 2003 required the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves, although the final decision on the level and utilisation of reserves rested with the Council, and this was set out in the Chief Finance Officer's report at Appendix A.

Financial Regulations (Part 1, Section 2) within the Council's Constitution stated the following:-

- (i) Cabinet will finalise its recommendations to Council on the budget, council tax and rent levels taking account of the results of budget consultation. This will normally be in February, following announcement of the Final Local Government Finance Settlement.
- (ii) Cabinet's recommendations to Council must be made in time for Council to set the budget and council tax before 11 March of the preceding financial year to the financial year to which the recommended budget and council tax relate.
- (iii) The budget that Cabinet recommends to Council must be based on reasonable estimates of expenditure and income, and take account of:-
 - outturn forecasts for the current year;

- guidance from the Chief Finance Officer on the appropriate level of reserves, balances and contingencies;
 - financial risks associated with proposed budget developments, reductions and ongoing projects;
 - affordability of prudential borrowing over the period of the council's financial forward plan;
 - recommendations from the external auditor on matters such as the level of reserves and provisions.
- (iv) The budget recommended by Cabinet to Council will incorporate the latest projection of income from fees and charges. During the year Cabinet Resources Committee may approve changes to fees and charges, including the introduction of new charges.

COUNCIL BUDGET & COUNCIL TAX 2006/7

The Budget Process

A preliminary assessment of the 2006/07 budget was set out in the Financial Forward Plan which had been approved by Council in March 2005, and which forecast a council tax increase of 10.9% based on information available at the time on Government grants and local spending requirements.

Arrangements for consulting residents on the budget had been reported to the Resources, Performance & Partnerships Scrutiny Committee on 13 February 2006. Consultation with business ratepayers had taken place on 22 February 2006.

Scrutiny Committees had reviewed the draft budget and the Key Priority Plans. There were no recommendations requiring to be reported to Cabinet.

The National Framework & 2006/7 Settlement

The Local Government Minister had announced the Provisional Local Government Finance Settlement on 5 December 2006. Consultation on this had closed on 11 January 2006. The Final Settlement had been debated in Parliament on 6 February 2006, although the Minister had released the details on 31 January 2006.

The Government had announced additional funding above the 2004 Spending Review amounting to £305m (2006/07) and £508m (2007/08). The Government had claimed to have provided further relief of spending pressures over and above these amounts although no tangible benefits were expected. This followed pressure by local government for additional funding to meet increasing costs.

A new Formula Grant allocation system had been introduced providing grant figures for 2007/08 in addition to 2006/07. Formula Spending Shares

(FSS) were no longer used and Government assumptions on the national level of council tax that had previously been built into the system had been dropped. The Settlement now only set out final Aggregate External Finance (AEF) for 2006/07 and provisional figures for 2007/08.

Error! Not a valid link.Note: RSG and Specific Grant figures reflect several transfers in 2006/07, including £25bn in respect of the new Dedicated Schools Grant.

Overall, Formula Grant had increased by 3.0% in 2006/07 and 3.8% in 2007/08. For London, this was lower at 2.7% and 3.4% respectively.

The Settlement continued the system of 'floors' without ceilings. All authorities above the floor contributed a fixed proportion of their excess above their floor to finance the floor authorities. The minimum grant increases for education and social services authorities were :-

2006/07	2.0%
2007/08	2.7%

Barnet was at the floor in both 2006/07 and 2007/08.

The new allocation system was called the Four Block Model with grant allocated in the following ways: -

- (i) Relative Needs Formula (RNF) which was related to Formula Spending Shares (FSS) in that it tried to reflect differences in cost due to deprivation etc. Notional spending was still used to calculate RNF for each authority but figures were presented as proportions of a national total. On their own, these proportions were meaningless and prevented any comparison of local spending with Government assumptions.
- (ii) Relative Resources (RR), which was a reduction based on each authority's relative ability to raise council tax.
- (iii) a central allocation based on a standard amount per head.
- (iv) a damping factor to provide a minimum increase or floor as set out above. Authorities above the floor had their grant reduced to pay for the cost of the floor protection.

Appendix B to the Cabinet Members' report provided a copy of the Government's guide to the settlement and explanation of the new system, including a summary of Barnet's NRF proportions which demonstrated the complexity, difficulty in explaining and interpreting the new method. The increased complexity could enable Ministers to make greater judgemental changes to allocations without consultation and was a reason why local government had generally opposed this change during consultation.

There had also been significant alterations in funding responsibility and calculation of RNF. The key changes were as follows:-

- funding of schools via the new ring-fenced Dedicated Schools Grant (DSG) which had been financed by deducting the 2005/06 schools budget from authorities' formula grant. Barnet had spent £2.4m in excess of its 2005/06 school's FSS so the deduction resulted in a loss of £2.4m Formula Grant in 2006/07. The grant

loss was built into Barnet's base grant upon which the 2% floor was calculated.

- transfer of all Residential Allowances and part of Preserved Rights special grants into Formula Grant.
- additional grant arose from the introduction of a free Concessionary Fares scheme nationally, which benefited Barnet by almost £1.7m.
- Resource Equalisation whereby RNF was increased to reflect actual spending on Social Services. As Barnet was deemed to be a relatively wealthy authority, this adjustment resulted in a loss of grant to the council.
- a new Children & Younger Adults Social Services formula allocations methodology. The resulting distribution changes were so great that the Government had been forced to damp the changes by introducing minimum increases in formula allocations for these blocks (2.0% in 2006/07 and 2.7% in 2007/08). This was paid for by scaling back increases of authorities above the floor at a level of 85% which was unsustainable and could force changes to the grant regime when the 3-year settlements were introduced in 2008/09..
- the interest receipts element had been removed, but insufficient data was provided under the new system to isolate the impact on Barnet.

For business properties, there were two multipliers

- (i) the small business non-domestic rating multiplier for small business qualifying for a new small business relief scheme (i.e. those with a rateable value in London of less than £21,500); and
- (ii) the non-domestic rating multiplier which included a supplement to pay for the new scheme.

The non-domestic rating multiplier to be applied in 2006/07 was 43.3p, which was reduced to 42.6p for small businesses.

The Settlement for Barnet

The Local Government Finance Settlement for Barnet was set out in the following table. The figures are fairly meaningless in terms of identifying the cause of grant changes to Barnet as they bore no clear relationship to the cost of services provided.

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Comparative figures for 2005/06 were only available for Dedicated Schools Grant and Formula Grant, which included significant adjustments in respect of additional grant for concessionary fares (£1.686m) and Preserved Rights moving from specific to formula grant (£1.658m).

The Settlement provided an adjusted formula grant increase of £1.7m, which was the minimum 2% guaranteed by the Government. However, London already operated a free concessionary fares scheme so there was

no additional cost in this respect and the £1.686m could be treated as new money providing a real grant increase of £3.385m (4%). This increase had to meet the cost of inflation, full year effects, service demands and funding transfers for all non-school services. The indicative grant increase for 2007/08 was only £1.646m which was the grant floor of 2.7% after adjustments (the actual cash increase was only 1.7%).

The new Dedicated Schools Grant provided cash increases of £11.864m (7.3%) for 2006/07 and £12.270m (7.0%) for 2007/08. The Council had no choice but to passport these increases to the Schools Budget. The grant increases for schools were in stark contrast to those for other local services where council tax increases were likely to be capped at around 5%.

Government revisions in population and other data incorporated in earlier grant settlements were being made by a series of grant amending reports and changes to authorities' adjusted base when calculating grant floor protection. The first amending report (re 2003/04), had been issued last year and, although Barnet's notional figures had increased, it was not sufficient to exceed that year's floor protection. New amending reports for 2004/05 and 2005/06 had been issued and would be paid in 2006/07. Barnet would receive a total of £568,000. This grant was separate from the figures in 8.14.

Overall, the changes had resulted in Barnet receiving the minimum grant increases for 2006/07 and 2007/08. This was below national average increase in each year and failed to compensate for grant losses in previous years. A robust response to the settlement consultation had been made, but to no avail.

Capping

A statement on the provisional settlement by Phil Woolas, the Minister of State for Local Government, had included the following warning on capping :-

'... we expect to see average council tax increases in each of the next two years of less than 5%. There is, following today's announcement, no excuse for excessive increases. Local government should be under no illusions; if there is excessive increase, we will take capping action – as we have done over the last two years'.

The Minister had subsequently added that authorities should not use previous capping principles as a guide for 2006/07 or 2007/08, which makes it unnecessarily difficult for local authorities to determine whether their council tax increases for 2006/07 would be capped.

To support their position on capping, the Government had issued Alternative Notional Amounts (ANAs) to enable a like for like comparison with the budget requirements in 2005/06. The only adjustment within the ANA for Barnet was the introduction of the Dedicated Schools Grant, which when deducted from the 2005/06 budget, produced an ANA for Barnet of £208,178,000 after rounding up.

Whilst introducing some uncertainty around how capping might be implemented in 2006/07, the capping legislation itself required the Secretary of State to determine whether the budget requirement (not the level of council tax) for a financial year was excessive, and this had to be done by reference to criteria specified and published by the Secretary of State. The criteria had to be decided in accordance with a set of principles, which had to include comparison with a previous year – the earliest year for this purpose being 1998/9. Different principles could be used for different classes of authority (e.g. London Boroughs, Districts, and Counties), and in previous years when some councils were formally warned the criteria used had been a combination of change in budget requirement and council tax over a 1-year and 3-year period. The legislation allowed the Secretary of State to designate councils for "in-year" capping, or to nominate a maximum budget requirement for the following year.

Authorities that were either designated or nominated might make representations to the Secretary of State. There was also the option to challenge in the courts; but from previous experience councils had found that the House of Lords had viewed the question of whether a budget requirement was excessive to be a matter of political judgement for the Secretary of State, who was not bound by a council's view of expenditure needs.

A copy of the capping regime was set out in Appendix D(ii) to the Cabinet Members' report.

If Barnet were challenged to explain its budget and tax increase there were a range of issues the council might want to highlight, including:-

- the disastrous 2003/04 settlement, which had also been referred to in the Annual Audit Letter and had not been redressed by subsequent settlements;
- the 2004/05 settlement which had left Barnet 3rd from bottom in London in respect to grant headroom after allowing for education passporting: a position which had not improved much in 2005/06 with Barnet being 13th from bottom in London in respect to grant headroom;
- Barnet being at the grant floor in both 2006/07 and 2007/08
- that Barnet had already budgeted for £48m reductions in the base budget over the last four years;
- the continued need to rebuild balances following the Section 11 Notice issued in 2003/04 by the external auditor, which although removed in 2004/05 was still crucial to current budget considerations.

Revised Requirements for 2005/06

The latest revenue monitoring position being reported to the Cabinet Resources Committee on 16 February 2006 would advise that balances were forecast to be £7.410m at 31 March 2006. After this report had been

finalised, the council was notified that it would be rewarded with £1.865m of LABGI¹.

There were no significant budget variations to the Housing Revenue Account. Any variations were to be met from the accumulated HRA balance.

Budget 2006/07

The introduction of the Dedicated Schools Grant in 2006/07 was a major change to local authority funding. School expenditure was now shown as a net nil budget whilst Formula Grant reduced by a similar amount so that council tax overall remained unchanged. This accounted for the significant change between the 2005/06 and 2006/07 gross budget figures.

Following an assessment of the Provisional Local Government Finance Settlement, Cabinet's draft budget proposals, including efficiencies of £6.248m, had been announced to Council on 20 December 2005, and would have resulted in a council tax increase of 3.29%

The budget to be recommended to Council on 7 March 2006 was set out in detail in Appendix C to the Cabinet Members' report. A net reduction of £2.03m in the budget was proposed over the draft discussed at Council in December. Proposals for 2006/07 along with any major variations were explained in Key Priority Plans attached as Appendix E to the Cabinet Members' report.

The Prudential Code enabled councils to borrow without Government approval, subject to certain controls and reserve powers – basically, the cost of borrowing had to be affordable over a period of years. Provision for prudential borrowing to fund the capital programme and the additional cost of this borrowing were explained further on in the Cabinet Members' report.

Barnet Local Strategic Partnership (LSP) had been awarded £1m Neighbourhood Renewal (NRF) funding in both 2006/07 and 2007/08. The grant was to tackle deprivation and social exclusion in the most deprived areas. The LSP was responsible for allocating NRF monies and performance managing the use of this funding, although the Council acted as secretary and treasurer to the LSP. Projects were being considered by the LSP on the basis that there was no on-going cost that would fall to the Council in later years.

General Fund Balances & Reserves

The Chief Finance Officer's report in Appendix A set out the position on General Fund balances, which were summarised as follows:–

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This position might worsen due to slippage on 2006/07 budget savings, in-year budget problems and the realisation of some contingent liabilities etc.

¹ LABGI – Local Authority Business Growth Incentive

Whilst a comprehensive risk assessment was set out in Appendix A, it was stressed that the greatest risk at present was getting Directions for 2005/06 and 2006/07 from the Secretary of State to capitalise redundancy costs. Setting aside these risks, the draft budget currently left balances £0.7m below the minimum of £10m recommended by the Chief Finance Officer. Proposals for achieving and maintaining this level of balances were set out in the Financial Forward Plan at Appendix G.

In addition to General Fund balances, the Council might set aside specific reserves to fund projects or provide funding for future potential costs. The only reserves in the accounts were as follows:-

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Greater London Authority

The Greater London Authority (GLA) precept incorporated the following budget requirements:-

- Mayor, GLA Assembly and corporate administration
- Transport for London;
- London Development Agency;
- Metropolitan Police Authority;
- London Fire & Emergency Planning Authority.

The Mayor had commenced consultation on the budget and precept requirements on 19 December 2005, proposing a precept increase of 16.59% including the Band D surcharge for the Olympics of £20 – before adjustment of London wide council tax bases.

The Mayor's revised 13.35% tax increase would be presented to the London Assembly on 15 February 2006. The component parts were as set out below, including the ongoing contribution to the 2012 Olympics at £20 a year on Band D:-

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Collection Fund

On 15 January 2006 (a date determined by Regulations) a forecast was made of the collection of previous years' council tax as at 31 March 2006. This calculation identified a deficit on the fund of £1.849m, which had been allocated between Barnet and the GLA, with the cost to Barnet being £1,471,050. The deficit had arisen as a result fewer new property completions than expected and a higher level of council tax exemptions. Based on current performance the estimated collection rate for 2006/07 had been retained at 98.5%, which took into account the effect on debt recovery that will result from changing over to a new local taxation system.

Council Taxbase

There were two measures of the taxable capacity of the Authority. The first was the Inland Revenue Valuation Office list, which was adjusted for

discounts and exemptions on the council tax system and was used by the Government in Formula Grant calculations. The second was used for tax setting purposes and was a calculation made by the Chief Finance Officer, representing the estimated taxable capacity for the year ahead and incorporating the estimated collection rate.

Under delegated powers, the Chief Finance Officer had calculated the 2006/07 taxbase as 135,103 Band D Equivalentents.

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Council Tax

The calculation of the council tax for Barnet was as set out below:-

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The GLA precept was £38,992,077 making the total demand on the collection fund £175,556,677.

The Council was required to set levels of council tax for each category of dwelling. As there were no special items within Barnet's or the Greater London Authority's budgets affecting parts of the borough, there are only eight amounts of tax to set, as set out below:-

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Individual Council Tax bills would reflect occupancy status with discounts for low occupancy (one or no adults) and exemptions for specific circumstances. In addition, residents would be eligible for Council Tax Benefit. In 2005/06, approximately 20% of council tax payers claimed a full or partial council tax rebate.

Financial Forward Plan and Medium Term Financial Strategy

It was now a requirement under the Prudential Framework that decisions on the budget must be taken in the context of the Forward Plan, with particular attention being paid to the affordability of prudential borrowing over a period of at least 3 years.

An update on the Forward Plan previously presented to Council in March 2005 was attached at Appendix G to the Cabinet Members' report, based on the following key assumptions:-

- most of the forecast budget increases related to estimated pay awards and inflation, London-wide levies, employer's pensions contributions, prudential borrowing costs and investment income and other known full year effects of previous decisions;
- resources for 2007/08 were based on the provisional settlement announced by the Government. Later years assumed a 2.0% floor settlement. Indications of increases in grant were unlikely until the Government completed its 2007 Spending Review including a decision on whether the additional grant announced for 2006/7 and 2007/08 would continue
- future contributions to balances to achieve and maintain the target minimum £10m balances.

As indicated above, the Financial Forward Plan did not currently recognise any budget pressures or risks beyond 2006/07 as there was insufficient information upon which to base costs accurately, the one exception being unsupported (prudential) borrowing where the full year effect of the capital programme was reflected.

The Government was expected to introduce 3-year grant settlements starting in 2008/09, as part of the 2007 Spending Review. This should provide a more stable environment within which to undertake effective financial forward planning as there should be far greater certainty over future grant levels. Changes in responsibility for local authorities would also be less likely to take place at short notice. However, there was currently a risk that population growth centred around Barnet's regeneration schemes would not be recognised in Government forecasts, which would result in a shortfall in grant increases to match demand.

The Chief Finance Officer had identified key issues within the 2006/07 budget (Appendix A). A number of these would be ongoing, and would be added to over the coming 3-4 years by the following risks and opportunities:-

- Lyons Inquiry
- Council tax revaluation (postponed until after the Lyons Inquiry)
- Spending Review 2007
- AEF grant floor has not been announced beyond 2007/08
- Levies
- LPSA Reward Grant
- Local Authority Business Growth Initiative beyond 2006/07
- Redundancy capitalisation
- Licensing Act
- Civil Contingencies Act
- Election Bill
- Modernising Core Systems (ongoing efficiency savings)
- Children Act
- Government's 10-Year Childcare Strategy
- ICT Infrastructure & technology refresh
- Housing Benefit reform
- Planning fees and Planning Delivery Grant
- Primary Schools Capital Investment Strategy
- Highways street lighting PFI
- Office accommodation strategy
- Health White Paper
- Review of responsibilities of the Mayor for London.

The Government's efficiency initiative (Gershon) required local authorities to achieve 2.5% annual efficiency saving targets. Barnet had produced significant efficiency savings in recent years. The addition of the 2006/07 savings to the £13m already identified might mean that the combined cashable / non-cashable target annual savings of £19.32m would be achieved by March 2007; one year before the deadline. Furthermore, the focus of the Council's efforts so far had been in identifying cashable savings, and work to identify non-cashable efficiencies would result in the target being exceeded.

A summary of the Council's draft medium term financial strategy was shown at Appendix H to the Cabinet members' report. This was the first time a summary had been published showing the framework to support the financial forward plan. It would be developed further over the coming months with a report to Cabinet early in the new municipal year, incorporating a combined Financial Forward Plan and Strategy on budget options for later years.

HOUSING REVENUE ACCOUNT

The HRA was a statutory ring-fenced account of the Council, covering all revenue expenditure and income relating to the housing stock. The Council was required to construct a budget to ensure that the account for the year did not show a debit balance.

The summary HRA was shown in Appendix A to the Cabinet Members' report. This included a number of development proposals, which were shown in detail in the Performance Management Plan.

Rent Restructuring

The Government had introduced rent restructuring and convergence for local authority and registered social landlords (RSLs) over a 10-year period starting in April 2002. All rents would be calculated on the same basis, with 70% based on average earnings for the region (adjusted for numbers of bedrooms) and 30% based on the valuation as at January 1999.

The Government had undertaken consultation during the summer of 2005 on the three-year review of rent restructuring. The proposals therein had not been introduced for 2005/06 but were to be implemented for 2006/07. They involved a recalculation of base formula rents in line with those used for housing association properties, together with higher weightings for properties with three or more bedrooms. The result was that rent increases for local authority tenants would be higher than under the previous formula.

Rents would still move towards a target figure for each property. Following the formula, rents in Barnet would increase by an average of 5.56% in 2006/07 – however the Government had capped the increase at an average of 5%. It had promised that local authorities would be compensated in full for this, although full details as to how were awaited. The increase to any individual property was limited to inflation (deemed to be 2.7%) plus 0.5% plus £2 per week (on a 52 week basis).

Housing Subsidy

The trend of shifting resources away from London has been continued in this year's subsidy settlement. For Barnet the management allowance has been set at £634.72 (an increase of 6.1%) while the maintenance allowance is set at £1,099.30 per dwelling (an increase of 7.6%). The above inflation increases were meant to offset the effect of subsidy withdrawn through the guideline rent: as a result of the changes to the rent restructuring calculations described above this had risen by 8.1%. The net

result was that Barnet had suffered a loss of £1.5m on these elements, before the effect of the compensation referred to above was considered.

The Major Repairs Allowance had also been paid as part of housing subsidy. Barnet's allocation had reduced by 0.5% per dwelling to £712.22 despite the level of inflation affecting the building industry. The total for 2006/07 was £7.939m, a reduction of £173,000 from 2005/06.

Service Charges

Service charges for tenants had been introduced in 2003/4 for specific services (mainly caretaking), and it was proposed that these be increased in line with the overall rent increase cap of 3.2%. Charges for these services would not generally recover the full cost of their provision.

HRA Summary & Working Balance

Total expenditure for 2006/7 was estimated at £49.118m, including payment of £8.999m to the Government in respect of housing subsidy. The proposed average rent increase of 5% and increase in tenant service charges was estimated to raise £1.992m before the effect of sales was taken into account.

Energy prices had continued to rise far in excess of inflation and it was necessary to pass these charges on in respect of space and water heating. It was proposed to increase these charges by 25%

It was proposed that rents for the Council's shared ownership schemes and hostels be increased in accordance with the general rent increase. It was also recommended that rents on garages be increased by 5%.

2006/7 would be the third year of Barnet Homes' management of the housing stock. Further adjustments remained necessary in respect of service level agreements, both in respect of Barnet Homes and of the 'retained' HRA.

The HRA working balance stood at £5.8m on 31 March 2005. It was now anticipated that the HRA would break even in 2005/06 but for 2006/07 the estimates provided for a contribution from the balance of £785,000 resulting in a reduction to £5.1m at 31 March 2007. A balance of £4.3m was still required to be held against possible underwriting calls on regeneration schemes.

HRA Minimum Revenue Provision (MRP)

Until 2004/05 there had been a statutory requirement for the HRA to be charged with the MRP, which was approximately 2% of the HRA debt. This had had the effect of reducing outstanding housing debt by that sum. The housing subsidy mechanism provided compensation for this to an approximately equal amount. The Government's removal of the legal requirement and the subsidy resulted in there being no equivalent reduction in debt unless a voluntary charge were made; without subsidy this had to be found from within HRA resources. Whilst the policy of not making a charge was entirely robust from a legal and accounting

perspective, the merits of making a charge were being considered; some housing authorities had chosen to do so and investigations were taking place to explore the extent of this.

CAPITAL PROGRAMME

Introduction

The capital programme set out the plans for investment in buildings, roads, equipment, other assets and capital grants over 2005/6 to 2008/9 and beyond.

Decisions on the level of capital expenditure depended on the availability of the following sources of funding which were listed in the order they would normally be applied:-

- Private Finance Initiative (PFI) credits
- grants to meet capital expenditure
- the Major Repairs Allowance (MRA) within the HRA
- Section 106 agreements
- capital receipts (proceeds from the sale of land and buildings)
- direct revenue contributions
- Special Parking Account
- contributions from school balances
- Other public-private partnerships.
- borrowing and revenue resources available to meet financing costs

The recommended capital programme, including total spend of £70.681m in 2006/07 was set out later in the Cabinet Members' report. It was based upon current forecast resources, details of which were discussed in the following paragraphs.

The self-regulatory Prudential Framework gave local authorities freedom to determine the amount of capital investment they could fund by borrowing based on affordability, prudence, sustainability and good practice. The Government supported some of this investment by the use of Supported Capital Expenditure (SCE) allocations - either revenue or capital, which were further classified as either a single capital pot or ring fenced:-

- SCE(R) – notional capital allocations that fed into either the Capital Financing Relative Needs Assessment or the Housing Subsidy and which were often called supported borrowing. Borrowing over and above these allocations would not attract Government grant support, and so would need to be financed from the council tax. It was also extremely questionable whether councils' grant floor actually benefited from SCE(R);
- SCE(C) – capital grants, which might be ring fenced to specific projects or form part of the single capital pot and be available for general use.

The latest SCE(R) announcements for Barnet were set out below:-

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Allocations relating to transport were provided by Transport for London grants.

From 2006/07 Government support for local authority housing capital investment programmes would not be provided through the Formula Grant system. Support for work on private housing and other activity would be in the form of capital grant to be announced later in 2006.

The full revenue cost of this borrowing was provided in the respective General Fund revenue accounts.

Barnet's street lighting PFI. A preferred bidder had been appointed and the final contract was being negotiated. This would be subject to final business case approval. The contract would commence in 2006/07.

Capital Programme

The full capital programme was set out by Head of Service in Appendix C to the Cabinet Members' report, summarised as follows:-

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Due to limited General Fund resources, the significant changes to the non-HRA Programme from last year were the inclusion of slippage from 2004/05 into later years and the procurement costs of the Primary Schools Strategy.

The HRA programme for the improvement of homes was managed by Barnet Homes. It has entered into partnering agreements with the major contractors who would deliver the bulk of the programme until 2010/2011. Funding is via the ALMO Decent Homes borrowing, the Major Repairs Allowance, capital receipts and contributions from leaseholders. As yet the decent homes borrowing approvals had not been confirmed for 2006/07 and 2007/08.

The General Fund Housing programme totals £10.330m in 2006/07. It included expenditure supporting housing association projects and Disabled Facilities Grant schemes. The programme included funding from S106 monies of £3m.

The overall programme was reliant on external grants and revenue support to fund capital borrowing. Capital receipts were not forecast to fund a significant part of the programme except the Primary Schools Strategy that was reliant on receipts from the disposal of surplus educational sites to fund primary school improvements.

The following table summarised the estimated funding of the programme. It was stressed that borrowing now accounted for at least half of annual funding, whilst in 2006/07 it represented 33% of resources. The revenue consequences of borrowing had been incorporated into the revenue budget.

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PRUDENTIAL CODE & BORROWING LIMITS

The prudential system gave freedom to local authorities to invest as long as their capital plans were affordable, prudent and sustainable. The CIPFA Prudential Code set out the indicators that local authorities must use and the factors that they must take into account to show that they had fulfilled these objectives.

The principal constraint on capital investment would be the financial impact on the council tax and rent levels of the housing revenue account, which would be reflected in the indicators of affordability. It would be for the Council to decide on an appropriate level of borrowing in relation to its net capital financing costs and the level of council tax and housing rents.

For 2006/7, the Government had provided local authorities with a mix of revenue support for capital financing costs based on notional capital allocations and capital grants via the single capital pot, but the Government had still to decide whether to continue with the current arrangements or change the balance between revenue support for borrowing and capital grants.

The financial indicators under the Prudential Code and the 2006/07 Treasury Management Strategy & Annual Plan requiring Council approval were set out in Appendix F to the Cabinet Members' report along with full details of their calculation and purpose.

For the reasons set out in the Cabinet Members' report, Cabinet

RESOLVED TO RECOMMEND

Balances

- 1. That, having taken account of all matters set out in the Chief Finance Officer's report on reserves and balances as set out at Appendix A to the Cabinet Members' report:-**
 - (a) the appropriate level of General Fund balances be determined at £10m;**
 - (b) the strategy for achieving and maintaining this level of balances in 2006/07 or future years be as set out in appendix g to the cabinet members' report.**

Revenue Budget and Council Tax

- 2. That the forecast revenue outturn for the year 2005/6 and the estimates of income and expenditure for 2006/6 be approved**
- 3. That it be noted that the Chief Finance Officer under his delegated powers has calculated the amount of 135,103 (band D equivalents) as the Council Tax base for the year 2006/7 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.**
- 4. That the following amounts be now calculated by the Council for the year 2006/7 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-**

- (a) £715,210,640 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act;
- (b) £499,485,045 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act;
- (c) £215,725,595 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
- (d) £79,160,995 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant or additional grant increased or reduced (as appropriate) by the amount of the sums which the Council estimates will be transferred in the year from:-
 - (i) its collection fund to its general fund and;
 - (ii) its general fund to its collection fund in accordance with Sections 97(3) and (4) and 98 (4) and (5) respectively of the Local Government Finance Act 1988;
- (e) £1,010.82 being the amount at 4(c) above less the amount at 4(d) above, all divided by the amount at 3 above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year 2006/2007;

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being the amounts given by multiplying the amount at 4(e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which is in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. That it be noted that for the year 2006/7 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:-

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6. That, having calculated the aggregate in each case of the amounts at 4(e) and 5 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2006/7 for each of the categories of dwellings shown below: -

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7. That in accordance with Section 38(2) of the Act the Chief Executive be instructed to place a notice in the local press of the amounts set under recommendation 6 above pursuant to Section 30 of the Local Government Finance Act 1992 within a period of 21 days following the Council's decision.

Housing Revenue Account and Rents

8. That the Housing Revenue Account estimates for 2006/7 be approved.
9. That, with effect from Monday 3 April 2006:-
- (a) The rent of all Council dwellings, with the exception of those included under Recommendation 10, be changed in line with the Government's proposals on rent restructuring outlined in this report, producing an average increase of 5.0%
- (b) That the rents of all properties relet for whatever reason be moved upwards to the formula rent. Where formula rent is below actual rent no reduction will be made.
- (c) That service charges for all tenants of all flats and maisonettes based on the services they receive be increased to the following charges (per week, 48 week basis):-
- | | |
|-----------------------|-------|
| Caretaking | £4.74 |
| Caretaking Plus | £6.13 |
| Block Lighting | £0.76 |
| Grounds Maintenance | £0.49 |
| Quarterly caretaking. | £0.62 |
- (d) That there shall be an increase of 25% on the charge for space and water heating
10. That, with effect from Monday 3 April 2006: -
- (a) The basic rents of dwellings in the Council's equity sharing scheme at Moorlands Avenue, NW7 be increased as follows:-
- Current basic rents of £2,097 to £2,202 per annum
 - Current basic rents of £1,932 to £2,028 per annum.
- (b) The net rents of dwellings in the equity share scheme at Friern Hospital be increased by 5.0%.
11. That, with effect from Monday 3 April 2006, the rents of Council garages be increased by 5.0%.

12. That the Chief Executive be instructed to take the necessary action including the service of the appropriate Notices.

Key Priority Plans

13. That the Key Priority Plans be approved.
14. That the Chief Officers be authorised to implement the detailed proposals set out in the Key Priority Plans within the resource constraints identified, in consultation with Cabinet Members as appropriate.

New Prudential Code and Borrowing Limits

- 15. That the Prudential Indicators set out in Appendix F to the Cabinet Members' report be approved and that the Chief Finance Officer be authorised to raise loans, as required, up to such borrowing limits as the Council may from time to time determine and to finance capital expenditure from financing and operating leases subject to:**
- (i) the appropriate provision having been made in the estimates for 2006/07;**
 - (ii) authorisation (where necessary) of the expenditure by the appropriate Government Department;**
 - (iii) a decision of the committee concerned or under delegated/urgency powers to incur the capital expenditure and that the Cabinet Resources be instructed to approve new projects up to the value of surplus resources outlined in this report, having regard to the priorities identified.**

Capital

- 16. That the capital programmes be approved, and that the Chief Officers be authorised to take all necessary action to implement them.**

Note: the appendices to the Cabinet Members' report, as referred to above, are being circulated to all Members of the Council, with the exception of Appendix A which is attached as part of this report.

Reserves & Balances

Report of the Chief Finance Officer

1 INTRODUCTION

1.1 The Local Government Act 2003 places a duty on the Chief Finance Officer to report to Council as part of the budget process on:-

- a) the robustness of the estimates; and
- b) the adequacy of the proposed financial reserves.

1.2 Professional guidance published in January 2003 by CIPFA recommends that in making this report to Council the following factors should be taken into account:-

- services' record in delivering budget developments and reductions;
- capacity to manage in-year budget pressures;
- key financial assumptions underpinning the budget (e.g. inflation provisions);
- robustness of forward plan estimates;
- general debt outstanding and tax collection rates;
- adequacy of insurance arrangements and budget provisions to cover major unforeseen risks;
- year end accounting arrangements (e.g. whether services are permitted to retain underspends);
- financial reporting arrangements.

1.3 The Council's Financial Regulations¹ were updated to reflect this guidance two years ago and state that *"the budget that the Executive recommends to Council must be based on reasonable estimates of expenditure and income, and take account of:-*

- *outturn forecasts for the current year;*
- *guidance from the Borough Treasurer on the appropriate level of reserves, balances and contingencies;*
- *financial risks associated with proposed budget developments, reductions and ongoing projects;*
- *affordability of prudential borrowing over the period of the council's financial forward plan;*
- *recommendations from the external auditor on matters such as the level of reserves and provisions."*

¹ Financial Regulations, Part 1, Section 2.5

- 1.4 This report addresses each of these factors and sets out my recommendations (as Chief Finance Officer) for General Fund balances, and how this impacts on decisions that Council must make on the 2006/07 Budget.

2 SERVICES' RECORD IN DELIVERING BUDGET DEVELOPMENTS & REDUCTIONS

- 2.1 Barnet has been faced within challenging grant settlements in recent years. In 2003/04 Barnet was at the grant floor (3.5%) compared to a national average grant increase of 6%. The grant position was affected by the 2001 Census and the process of Resource Equalisation as the Government moved from the regime of Standard Spending Assessments to Formula Spending Shares. In 2003/04, the settlement did not provide sufficient grant to achieve the required level of "passporting" to the Schools Budget, which required an additional contribution to be made from council tax. In 2004/05, Barnet's grant increase (5%) was again below the national average (5.7%), but in 2005/06 (6.6%) was slightly above the average (5.4%).
- 2.2 Over the three year period 2003/04 to 2005/06, the Council budgeted to deliver efficiency savings, service reductions and increased income totalling £37m. Because the Schools Budget is ring-fenced, these budget reductions had to be delivered entirely from the non-schools budget, which for 2005/06 stands at £208m (55% of total net service expenditure).
- 2.3 Achieving base budget reductions of £37m in three years is a significant undertaking and some slippage in this is inevitable, and in respect to budget decisions for 2002/03 to 2004/05 a total of £4m has been added back to the base budget in subsequent years:-
- £0.5m in respect to the 2002/03 budget;
 - £2.6m in respect to the 2003/04 budget;
 - £0.9m in respect to the 2004/05 budget.
- 2.4 It should be borne in mind that these figures comprise a mixture of increased income not being achieved and savings not being delivered. In respect to the 2005/06 budget, £1m has so far been added back to the draft 2006/07 budget in respect to increased parking income not being achieved. In total, therefore, £5m has been added back to the base budget in respect to £42m of savings budgeted for over a four year period 2002-2006, which equates to 12%.
- 2.5 Delivering savings of the level budgeted for in recent years is a substantial executive and management undertaking, which is not helped by having to respond to annual Government grant settlements just 3-4 months prior to the start of the financial year. Given this context I do not consider that slippage of this order gives any real cause for concern, but slippage has nonetheless occurred and is, therefore, a factor that must be taken into account in making a recommendation to Council on the level of General Fund balances.
- 2.6 On the other side of the coin is the risk that the cost of budget developments has been underestimated. Given the grant settlements that Barnet has received in recent years the level of service developments (excluding base budget pressures

and the cost of prudential borrowing to fund capital investment) has not been significant – £3.3m in 2003/04, £2.4m in 2004/05 and £0.2m in 2005/06.

- 2.7 Developments are also provided for within the capital programme, where the risk of overspending or failure to deliver planned external funding contributions can translate into revenue implications through increased prudential borrowing and/or reductions in interest earnings on unused capital receipts. Over the past three years there have been some overspends on capital projects, one of the more significant being Mill Hill School expansion project – the original tender for the project was £2.963m, and the projected outturn was £3.343m.
- 2.8 At present there are no significant issues that cause me concern with the council's ability to deliver efficiencies and developments within budget, although experience of the past four years would suggest that £1m (12%) of the £9m budgeted for in 2006/07 might result in a call on balances.

3 CAPACITY TO MANAGE IN-YEAR BUDGET PRESSURES

- 3.1 Following on from the Section 11 Notice in February 2004 the council's financial standing, in terms of the level of balances, has considerably improved. The council's gross budget in 2005/06 is £690m, but in terms of assessing financial risks it is more appropriate to combine this figure with income and specific grants, which produces a total just over £1.0bn. In commercial terms this represents a significant level of "turnover" and variances from budget are inevitable, particularly when a significant amount of expenditure (e.g. adult and childrens services) and income (e.g. local land charges) is demand-led. It should, however, be borne in mind that even just a 1% variance equates to £10m.
- 3.2 In considering the council's capacity to manage in-year budget pressures I have reviewed the budget volatility reported in budget monitoring during the current and previous two years. The position can be summarised as follows:-

2003/04	Overspends	£15.4m	} £1.9m net overspend
	Underspends	£13.5m	
2004/05	Overspends	£15.4m	} £1.1m net underspend
	Underspends	£16.5m	
2005/06 (Month 7)	Overspends	£9.6m	} £0.9m net overspend
	Underspends	£8.7m	

These figures exclude the HRA and schools balances.

- 3.3 As with the delivery of budget developments and reductions, I do not consider these in-year variances to be exceptional, especially when considering the net variances achieved which clearly demonstrates management action to minimise overspending has been effective. Nonetheless, variances have occurred and are, therefore, a factor that must be taken into account in making a recommendation to Council on the level of General Fund balances.

4 KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET

- 4.1 Provision for non-teacher pay awards is in line with the 3-year settlement agreed from April 2004. The cost of additional employer's pension contributions has also been made based on the latest 3 year actuarial valuation assuming no change in pension fund conditions. Inflation has been provided for in line with Government forecasts, or where alternative inflation indices or market conditions prevail, e.g. a significant provision over current forecasts of RPI has been made for renewing energy contracts during 2006/07.
- 4.2 Prudent assumptions have been made on the level of interest earnings and the cost of borrowing to finance capital expenditure that is currently approved within the draft budget and capital programme for 2006/07.
- 4.3 At this point in time there are no issues within the key financial assumptions underpinning the 2006/07 budget that give me cause for concern, and this is not an area that will feature greatly in my consideration of the level of balances.

5 ROBUSTNESS OF FORWARD PLAN ESTIMATES

- 5.1 An officer Budget Board was established at the outset of the 2006/07 budget process. It is chaired by the Director of Resources and also comprises the Deputy Director of Resources & Chief Finance Officer, Head of Corporate Support, Chief Education Officer, Head of Adult Services and Head of Highways & Design.
- 5.2 The members of the Budget Board have all been given the opportunity to review the budget proposals from every service, and in particular assess the risk of non-delivery of efficiencies and service reductions.
- 5.3 The Budget Board has also been particularly concerned at minimising the incidence of "cost shunting" between services, i.e. one service making a saving that requires other services to pick up the cost of continuing to provide the activity in question.
- 5.4 The Budget Board has considered risks within the draft 2006/07 budget in three ways. The first two are risks within the base budget and the proposed budget reductions, both of which could result in a call on balances if variances occurred. The third area is contingent liability risks not incorporated in the draft budget, which would be direct call on balances if they occurred and could not be offset by management action to identify compensatory savings. The items considered to be the greatest risk within all three areas are set out below.

Base Budget

- Rents, fees & charges

These come to around £60m in the revenue budget. Shortfalls that have arisen previously on parking income and local land charges demonstrate how achieving this income is not always within the council's control. In 2006/07 the council will also be re-introducing the pest control service on a self-financing basis, but there are obvious risks associated with providing a service in competition with other providers already in the market.

- Specific grants

Despite provisional figures for 2006/07 and 2007/08 being provided for some of the specific grants, there are some where uncertainty remains (e.g. Planning Delivery Grant).

A new grant the council, or rather the Local Strategic Partnership (LSP), will be receiving is £2m worth of Neighbourhood Renewal Funding (NRF). The allocation of this funding will be determined by the LSP, but there is a risk that the council will be left with a responsibility for ongoing costs in 2008/09 and beyond.

- Borrowing & interest earnings

The council, like all others, is subject to market fluctuations in interest rates that affect both short and long term borrowing and the short term investment of surplus cash.

- Accommodation strategy

This is more of an issue for future years in terms of creating a large fixed cost within the base budget, rather than being a potential overspending problem. The strategy approved by Cabinet Resources Committee in July 2005 relies heavily on the council continuing to lease the majority of its office accommodation requirement for a further 15 or more years. This creates a risk of not being able to reduce costs if a major downsizing of the staffing establishment occurs over this period and the council is unable to sub-let surplus space.

In terms of the 2006/07 budget, the risk is being minimised by delaying the signing of the new leases until all costs have been fully validated and the sub-leases to Barnet Homes have been signed.

- Council Tax collection

Around £180m in council tax will be collected in 2006/07 for the council and the GLA. Barnet has the largest taxbase in London by some margin, and has the 5th largest taxbase in the country. Non-collection of council tax measured in fractions of % points can have a significant impact on the budget. Similarly, over-estimation of the number of new properties and under estimation of exemptions and discounts in the council taxbase can have the same consequences.

- Housing benefit and temporary accommodation

These items are highlighted as a risk simply because of their size and volatility – budgeted gross benefit payments of £119m, subsidy £117m and temporary accommodation income £8.2m.

- Placements – adults, looked after children, special educational needs

These items are also highlighted as a risk simply because of their size and volatility – budgeted adult placements £75m, looked after children £14.2m and special educational needs £6.5m.

Budget Reductions

- Looked After Children external placements (£750,000)

Members will have long experience of this being a volatile budget due to the nature of the service. The strategy to develop a greater number of lower cost options and reduce the number of out of borough residential placements is in place, but there always remains the potential for significant budget fluctuations to arise as a result of a very small number of additional looked after children. The comments here apply to the base budget as much as they do to this budget reduction.

- Street Enforcement Service (£850,000)

This involves a big restructuring of the service and is highlighted as a risk simply because of the size of the proposed saving.

- MCS efficiencies and benefits realisation (£1,438,000)

This is an aggregation of savings across the council that can be attributed in some way to Modernising Core Systems (MCS). As with the above item, it is highlighted as a risk simply because of the size of the proposed saving.

Items Not Incorporated in the Budget

- Asylum Seekers prior years' grant claims £1.7m

The grant instruction enabling the audit of the Asylum Seekers claim was withdrawn by Government before the audit of the 2002/03 accounts was undertaken. Similarly, claims in following years remain unaudited and the payments received from Government are less than the claims submitted, resulting in an increasing debtor in the Council's final accounts. The Home Office have now made arrangements to complete all outstanding audits across the country prior to April 2006. However, the delay exposes the Council to risk that when the audits are completed the amount finally paid may be less than the accumulated debtor.

- Prior year charges to PCT £1.6m

A significant level of work was undertaken with Barnet PCT during 2004/05 to establish a final position on outstanding monies owed to the Council. The final position was a debt of £1.6m, for which detailed invoices and backing papers have been submitted to the PCT. However, it is proving difficult to elicit payment and as a consequence although this is a valid debt, there is a risk of non payment.

- Total of 50+ legal cases

This is the current total number of litigation cases the council is involved in or which could arise. These have been risk assessed at a potential cost of £0.6m, although this would not all come due in 2006/07.

- Capitalisation of redundancies

The assumption is that redundancies arising from budget decisions and major restructurings will be capitalised, but the ability to do this always rests on a Ministerial decision to provide a Direction to capitalise. This Direction is not automatic and has to be applied for, so there is always a risk that the cost of redundancies could fall entirely on the revenue budget (i.e. balances). The cost is estimated to be around £4m in 2005/06 and 2006/7 based on actual and potential redundancies arising from proposed savings in the draft budget.

- Barnet Homes withdrawing from SLAs

Barnet Homes has the right to withdraw at six months' notice from most SLAs where the council provides accommodation and support services.

5.5 It is also important to consider the robustness of capital programme assumptions, in terms of estimates of project costs, anticipated external income and grant, and levels of capital receipts assumed to be supporting expenditure in the year.

5.6 The only significant project being added to the capital programme is the Primary School Capital Investment Strategy, but works are not scheduled to start until 2007/08. The draft capital programme provides adequate budget to enable the Wave 1 programme (2007-2010) to be worked up in more detail, both in terms of costs and estimated capital receipts to be generated (including the timing thereof). Any variances from the outline estimates reported to Cabinet on 5 December 2005 will be incorporated into the 2007/08 Budget and Forward Plan process.

5.7 A prudent assumption has been made on the level of capital receipts being generated in 2006/07, based on past experience.

5.8 The major sources of external funding for the capital programme are DfES Schools Modernisation (grant and supported borrowing) and TfL (grant). Assumptions built into the capital programme funding model are in line with notifications received.

5.9 Turning to later years, the Council now has a firm indication of grant in 2007/08. Current indications are that it will be another tight year financially with the council once again at the grant floor, although the earlier grant announcement will enable the council to forward plan with greater certainty during 2006/07.

5.10 Whilst I am of the opinion that expenditure and income estimates are as robust as can be expected based upon sound supporting evidence, there are some significant risks within and without the council budget that could seriously impact on the council's financial position if they arose.

6 GENERAL DEBT OUTSTANDING AND TAX COLLECTION RATES

- 6.1 The debts owed to the council as set out on the balance sheet are covered in part by various bad debt provisions, which were increased by £1.75m in 2004/05 to cope with a major write-off exercise to be undertaken in 2005/06. To date, approximately £672,000 has been identified for writing off against this provision since 1 April 2005 and there will be further amounts to come.
- 6.2 I currently have no significant cause for concern over the level of bad debt provisions for the routine accounts raised across the council for services provided where a charge is made and the income is not received up front. There are, however, significant debts outstanding from other public bodies, which relate to services and grant in previous years. These would add to the pressure on balances if not paid in full by these two organisations.

7 ADEQUACY OF INSURANCE ARRANGEMENTS AND BUDGET PROVISIONS TO COVER MAJOR UNFORESEEN RISKS

- 7.1 The insurance provision is being increased in line with the planned contributions over a period of 3 years, as outlined in the response to the Section 11 Notice (March 2004) and the Financial Forward Plan approved by Council in March 2005. The requirement was to achieve an insurance provision of £7.2m.
- 7.2 Ongoing work to cleanse the claims database may slightly reduce this requirement, although there is also a £0.5m annual shortfall in the internal insurance recharges actioned in the accounts each year.
- 7.3 With the 2005/06 planned contribution to the insurance fund being made, the provision will be around £6.4m by 31 March 2006, barring any unforeseen calls being made on the fund. Allowing for some improvement in the claims database cleansing mentioned above, this puts us within around £1m of the required level of provision after allowing for the annual shortfall on internal recharges. The budgeted contribution of £1m in 2006/07 (originally £1.5m was provided for in the March Forward Plan) would address the remaining provision shortfall (estimated at £0.5m) and provide the base budget correction for internal recharges. The council budget in 2007/08 could then be reduced by £0.5m, leaving £0.5m in the base to correct the ongoing internal recharge shortfall.
- 7.4 There is no central contingency budget, so any unforeseen expenditure or loss of income would immediately become a call on balances, unless management was able to identify compensatory savings.
- 7.5 The draft 2006/07 budget headlines announced at Council on 20 December 2005 do not include the £3m planned contribution to balances set out in the Financial Forward Plan approved by Council in March 2005, which was in the response to the Section 11 Notice and an expectation that balances at 31 March 2006 would be around £8m. Given that balances at 31 March 2006 are currently forecast to be around £7m, this represents a change in the Council's response to the Section 11 Notice.
- 7.6 It is my view that the council should continue to make contributions to balances and this is dealt with more fully in section 12 of this report. No change to the planned contributions to the insurance provision should be made.

8 YEAR END ACCOUNTING ARRANGEMENTS

- 8.1 Some councils allow services to carry forward some underspends, with a lesser amount therefore being returned to central balances. Where services are allowed to accumulate surpluses for specific projects or to offset overspends in later years, this will clearly have an influence on the level of centrally managed balances.
- 8.2 Barnet does not operate the policy of allowing services to retain underspends, and indeed has required some services to achieve underspends in order to offset overspends in others. The one exception to this is schools, where they are allowed to retain underspends against the devolved budget shares they receive each year.
- 8.3 Although it did not eventually materialise, Members will recall some concern during 2003/04 that the Government settlement might cause aggregate school balances to be completely extinguished and thereby create a new pressure on centrally managed balances. This did not materialise, and aggregate schools balances were a relatively healthy £11m at 31 March 2005.
- 8.4 There are no aspects of the council's current year end accounting arrangements that impact on my consideration of the level of balances.

9 FINANCIAL REPORTING ARRANGEMENTS

- 9.1 Despite the significant reporting improvements that will flow from SAP, the External Auditor has commented on improvements made to budget monitoring reporting arrangements over the past couple of years.
- 9.2 In addition to the normal exception reporting arrangements, reports to Cabinet Resources Committee have included traffic light monitors on all the budget savings for two years now. Furthermore, Member Challenge on the detailed position on cost centre budgets takes place during the year.
- 9.3 The one area for improvement is in reporting on debt management. An attempt has been made to include reporting on debt over 90 days through the FirstStat arrangements, but this has proved problematic in that this can easily be distorted by large volumes of certain invoices being raised at specific points in the year. Enhancing this reporting will be an important improvement during 2006/07, and I will be keen to identify best practice from other councils.
- 9.4 Whilst SAP provides a platform from which to improve financial management reporting, it still requires commitment from budget holders across the council to fully understand the shift in responsibility that has also taken place, in that accountants are still there to support them in managing and monitoring their budgets but are no longer going to be doing it for them.
- 9.5 Overall, there are no issues in respect to financial reporting arrangements that especially impact on my consideration of the level of balances.

10 RELEVANT EXTERNAL AUDIT COMMENTS

2003/04 Annual Audit Letter

10.1 The Council was served with a Section 11 Notice by the External Auditor in February 2004, as part of the Annual Audit Letter for 2003/04. The response, approved by Council on 1 March 2004, included a planned ongoing contribution to balances in the Financial Forward Plan of £3m a year. Increasing the insurance provision to a level recommended by the external actuary was also agreed as part of the Council's response to the Section 11 Notice

10.2 The External Auditor took this ongoing commitment to increase balances into account when lifting the Section 11 Notice at the end of 2004/05, so any significant deviation from this and/or the planned level of balances in future years creates a risk of the External Auditor taking a different view about the council's financial standing. The following comments are taken from the 2003/04 Annual Audit Letter, which incorporated the Section 11 Notice:-

- *Financial Position*

The Council appears to be on track to deliver the majority of its plan and by bringing 2005/06 savings online early anticipates that it will achieve balances of over £4m by 31 March 2005. The Council also intends to budget for a further £3m to be added to reserves for both 2005/06 and 2006/07 which if achieved will take the level of balances to a more comfortable figure in excess of £9m.

We will continue to monitor the position closely but do not consider it necessary to issue a further Section 11 notice as part of this letter. We may however consider further public reporting if we are not satisfied that the Council is taking sufficient steps to maintain adequate levels of General Fund balances.

- *Action Needed by the Council*

Ensure that adequate General Fund balances are maintained in 2004/05 and beyond. Current plans to achieve balances of £7m by 31 March 2006 should be maintained.

- *Financial Standing*

The Council's financial position is improving although still very weak. Processes for the identification, monitoring and reporting of savings have significantly improved from previous years. Proposed increases to General Fund balances of £3m in both 2005/06 and 2006/07 need to be sustained.

We support the Council's proposals to include £3m increases to balances in both 2005/06 and 2006/07. We will keep this position under close review and consider whether we need to take any public action using auditor powers as the position unfolds.

10.3 It is important to differentiate here between the External Auditor's observations and recommendations. References to balances being £4m by 31 March 2005 and £7m by 31 March 2006 are not recommendations, they are observations that if the

council achieved it's (not the external auditor's) then forecast outturn for 2004/05 of £1m, then an ongoing contribution of £3m a year to balances would deliver £4m by the end of 2004/05 and £7m by the end of 2005/06, assuming the outturn was in line with the budget in both those years.

- 10.4 It is important to be clear that in respect to the position at 31 March 2006, the External Auditor was merely supporting the Council's action in seeking to achieve balances of £7m by the end of 2005/06. These comments were based on information the council had supplied, as indicated in 10.3 above, and should not be misinterpreted as a recommendation that balances at 31 March 2006 should be £7m, as opposed to any other figure at that date.
- 10.5 The External Auditor has not stated what level of balances the council should have, but has attempted to guide the Council into what he considers to be a reasonable level of balances, whilst recognising it is for the Council to ultimately make that decision. In February 2004, External Auditor said the ongoing £3m contribution in 2006/07 should be made, in the knowledge that by the end of 2005/06 the council (based on it's forecast 2003/04 outturn) was hoping to see balances around £7m, such that the further £3m would take balances by 31 March 2007 to "a more comfortable figure in excess of £9m".
- 10.6 This is the only specific view expressed by the External Auditor about the actual level of balances the council should consider having, i.e. something in excess of £9m.

2004 Use of Resources

- 10.7 In the External Auditor's initial feedback on the CPA Use of Resources 2005, reference has been made to good progress on incorporating risk management into the budget process, which essentially reflects the work done in establishing a central register on financial risks and uncertainties which is reviewed on a regular basis. Nevertheless, the External Auditor will rightly continue to expect continued progress on this issue.

2004/05 Annual Audit Letter

- 10.8 This was issued in January 2006 and is being considered in full by Cabinet at the same meeting as the 2006/07 budget. It highlights one of the key actions required of the Council is to continue focusing on maintaining a sound financial position and building up the level of general fund reserves to at least £10m, as well as maintaining its established focus on delivering recurrent efficiencies that do not impact on the service outcomes for corporate priorities.

11 LEGAL REQUIREMENTS

- 1.1 It is a requirement of the Local Government Act 2003 that the Council should have regard to the Chief Finance Officer's report on the adequacy of balances when making the budget calculations. Any decision by Council on the level of reserves that differs from that of the Chief Finance Officer will need to be recorded in the decision to demonstrate the Council had fulfilled this statutory requirement.

- 11.2 LAAP² Bulletins are intended to provide guidance that represents good financial management and which should be followed as a matter of course. Compliance with such guidance is recommended in the CIPFA³ 2003 Statement on the Role of the Finance Director in Local Government.
- 11.3 LAAP Bulletin 15 is a “Guidance Note on Local Authority Reserves & Balances”. Section 7.2 of this guidance states the following:-

The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the CFO. To enable the Council to reach its decision, the CFO should report the factors that influenced his/her judgement (in accordance with paragraph 6.2) and ensure that the advice given is recorded formally. Where the CFO’s advice is not accepted this should be recorded formally in the minutes of the council meeting.”

[Paragraph 6.2 sets out a range of issues similar to those summarised in section 1.2 of this report.]

12 SUMMARY & RECOMMENDATIONS

- 12.1 From the above sections, the key financial risks that could cause balances to be reduced are set out below:-

(i) Services’ record in delivering budget developments & reductions

I have concluded in the report that slippage has occurred on budgeted savings in previous years, but that following management action any overspend has been within the level of current forecast General Fund balances. I have indicated that if previous results were any guide there could be a call of £1m on balances arising from savings not being delivered in full.

(ii) Capacity to manage in-year budget pressures

I have highlighted the scale of in-year budget variations in previous years, and that whilst these are not exceptional in an organisation the size of Barnet, they have nevertheless arisen and therefore need to be factored into my recommendation on balances.

(iii) Robustness of forward plan estimates

I have indicated in this report that whilst I am of the opinion that expenditure and income estimates are as robust as can be expected, there are some significant risks within and without the council budget that could seriously impact on the council’s financial position if they arose.

- 12.2 I must have regard to comments made by the External Auditor, the most significant of which are set out in the 2003/04 Annual Audit Letter, extracts of which are included in this report. His comments are very clear, such that whilst not directing

² Local Authority Accounting Panel (LAAP)

³ Chartered Institute of Public Finance & Accountancy (CIPFA)

the council on the level of balances it should have (since he knows this to be inappropriate), he has expressed the view that a more comfortable position for the council would be to have balances in excess of £9m.

- 12.3 However the Council chooses to interpret the External Auditor's advice, it is required by the Local Government Act 2003 to take account of the advice and judgement of its Chief Finance Officer. If this advice is not accepted this should be recorded formally in the minutes of the council meeting. In guiding the Council to respond to the Section 11 Notice in February 2004 it was my belief that the council had to work over a relatively short period of time to achieve balances of at least £10m, and to maintain them at this level thereafter by continuing to forecast year end balances throughout the year and to include an appropriate contribution to balances in the draft budget for the following year as appropriate. **I am still of the view that the Council should be aiming to get balances to £10m.**
- 12.4 The Forward Plan agreed by Council in March 2004 and updated in March 2005 would have seen the £10m figure being finally achieved as part of the 2006/07 budget, by getting to £5m by 31 March 2005, £8m by 31 March 2006 and £11m by 31 March 2007.
- 12.5 The council signed a Local Public Service Agreement commencing April 2003, which set ambitious targets for service improvements over the three years ending 31 March 2006. Achievement of these targets in full or to a significant degree, will result in the payment of Reward Grant over a 2-year period (2006/07 and 2007/08), which is split 50:50 between revenue and capital. Based on performance assessments provided by Heads of Service, which have been reviewed by the Corporate Performance Office, the council could be in line to receive revenue sums of £0.66m in both 2006/07 and 2007/08. The expectation is that these sums would be taken into balances, less any amounts the Council decided should be given to partners contributing to the achievement of service improvement targets. If it were assumed that the Reward Grant is achieved and that the full amounts were retained by the Council, then balances at 31 March 2007 could reach £7.66m based on current budget forecasts.
- 12.6 The Local Authority Business Growth Incentive (LABGI) scheme starts in 2005/06. The Government will pay additional grant to authorities whose total business rateable value increases above a certain threshold, which is intended to provide an incentive to promote local business growth and return some of the benefit to the local authority. There are no restrictions on the use of the grant, which is not determined until after the Inland Revenue have updated valuations at the end of each calendar year. Payment of any grant due will be before the end of the financial year.
- 12.7 The following summarises the current forecast position in General Fund balances:-
- Error! Not a valid link.**
- 12.7 This position will be improved to the extent that Barnet receives LPSA Reward Grant, but could worsen due to slippage on 2006/07 budget savings, in year budget problems and the realisation of some contingent liabilities etc. Setting these risks aside, the draft budget would leave a shortfall of £0.7m against the minimum £10m balances I have recommended at paragraph 12.3.

- 12.8 **Firstly, the Council must decide what it considers to be the appropriate level of balances given all the factors set out in this report. Secondly, if it considers an appropriate level to be £10m, or some other figure higher than the current forecast of £9.3m by 31 March 2006, it must determine a strategy for bridging the gap in 2006/07 and/or subsequent years.**
- 12.9 Before making a recommendation on how the council might get to this level of balances in the coming years, it is important to first consider the likely grant settlement in future years, and the scope to manage the level of balances over a longer period of time.
- 12.10 In 2006/07, setting aside the grant changes in respect to concessionary fares and the one-off Benefit from the Amending Reports, Barnet is firmly at the foot of the table of London Boroughs receiving just the 2% grant floor increase, along with 7 other boroughs.
- 12.11 In 2007/08, Barnet will again be on the grant floor (2.7%) along with two-thirds of London Boroughs. The grant increase is reduced to 1.7% when an adjustment is made for the transfer of revenue funding of capital to capital grants, and the position becomes worse still when you take into account the added pressure on council tax from losing £0.57m one-off grant from the Amending Report.
- 12.12 In 2008/09, the Government is expected to introduce a 3-Year Settlement. Given the provisional settlements for 2006/07 and 2007/08 show a worsening position for Barnet and London as a whole, there must be an expectation that Barnet will continue to be at the grant floor until at least March 2011. The message I am seeking to convey to Council here is that if Members consider it difficult to increase balances in 2006/07, the ability to do so in the subsequent four years will not be any easier.
- 12.13 Based on the forecast outturn for 2005/06, contributing £1m to balances in 2006/07 would achieve my recommended target of £10m. To repeat an earlier comment, it is for Members to determine the level of balances, however, Council is required to take into account advice from the Chief Finance Officer and other parties, such as the External Auditor.
- 12.14 There is no precise formula for calculating the figure but it should be determined after taking into account the financial risks facing the council, which are set out in this report. The council can certainly be managed with less than £10m balances, it is obviously doing so at present, but it's also the case that every significant budget variation that arises means having to assess the impact on balances. Too great an emphasis like this on the financial standing of the council can also divert executive and management attention from all the other corporate priorities around service delivery.
- 12.15 The level of council balances also has a direct link to the council's score on various aspects of CPA – Use of Resources, Direction of Travel and the Corporate Assessment itself. Within that context, a low level of balances also reduces the council's ability to take risks and so reduces the opportunity to make innovative improvements to service delivery.

12.16 If the Council decides that the appropriate level of balances target for balances should be a minimum £10m or some other sum above the forecast £7m set out above, but is not willing to contribute £1m in 2006/07, it should set out a strategy for achieving the target. This strategy could encompass a comprehensive review of the base budget against corporate priorities early in 2006/07, taking advantage of the greater certainty provided by the early Government announcement of 2007/08 grant. This would be something for the new Cabinet to consider when it is formed after the 2006 Municipal Elections.

13 HOUSING REVENUE ACCOUNT

13.1 The Local Government & Housing Act 1989 required the Housing Revenue Account (HRA) to be maintained as a ring-fenced account and prescribed the debits and credits for it. Any surpluses generated from the HRA can be used to support the account when it fails to break even and for any one year a budget can be set such that there is a drawing on balances, but it is not permissible for an overall HRA budget deficit to be set. It is for the Council to determine what level of balances should be maintained. At 31 March 2005 the HRA balances were £5.8m, forecast to be £5.1m at 31 March 2007.

13.2 The following regeneration scheme underwriting agreements need to be considered alongside these balances, however, it is envisaged that one or more of the Principal Development Agreements will be signed before March 2007 and when they are signed the Underwriting Agreements fall away:-

West Hendon	£1.1m
Stonegrove	£1.3m
Grahame Park	£1.9m
Dollis Valley	£1.3m
Total	£5.6m

13.3 In the case of Stonegrove there is reasonable confidence that the liability could be met from land disposal rather than being a call on the HRA, and the West Hendon liability will be removed once the Principal Development Agreement is signed, which is likely to be in the spring of this year.

13.4 The principal items of expenditure within the HRA are management and maintenance costs, together with charges for capital expenditure (depreciation and interest). This is substantially met by rent and service charge income from dwellings, garages and commercial premises. However, the national housing subsidy system is a mechanism for redistributing resources between local housing authorities and for the year 2006/07 Barnet has to repay £8.5m to the pool – this figure is increasing annually. The subsidy settlement for 2006/07 (notified in December 2005) is far tougher than originally anticipated, as it was for all London Boroughs. As a result it may not be possible to make a contribution to balances in 2006/07 if the identification of further savings and efficiencies doesn't take effect quickly enough.

13.5 Balances were over £6m from 2001/02 until 2004/05 and will, according to current projections, be restored to that level by the end of the current year. Gross

expenditure plus gross income for the HRA will be approximately £96m in 2006/07, of which 20% is subsidy and capital charges and therefore fixed. For the remainder, the effect of budget pressures is similar to that for other Council expenditure and income. I would consider balances of between £5m and £6m to deal with a budget of this size to be adequate, however, the potential call to meet liabilities under the underwriting agreements is such that returning the HRA to surplus should be regarded as essential from 2007/08.

- 13.6 It has been the practice in earlier years to use some of the surpluses generated from the HRA to finance capital investment in the housing stock as capital resources are scarce. This can only be done in future if the level of balances is high enough to meet any contingencies that may arise. The immediate issue for the HRA is, therefore, to return to a position of budget surplus to maintain a healthy position and generate further resources for capital investment.

14 FOR DECISION BY COUNCIL

14.1 Council should, taking account of all matters set out in this report:-

- (i) determine the appropriate level of General Fund and HRA balances;
- (ii) determine a strategy for achieving this level of balances in 2006/07 and later years.

Clive Medlam
Deputy Director of Resources & Chief Finance Officer

Council Meeting

7 March 2006

REPORT OF THE DEMOCRATIC SERVICES MANAGER

Agenda item

1. VACANCIES ON SCHOOL GOVERNING BODIES

Appendix A lists (in bold) all current vacancies now needing to be filled in the Council's representation on school governing bodies. There are a number of other vacancies on governing bodies, which are due to reconstitute over the course of this year. However, as this may lead to a reduction in the number of Local Authority (LA) governors on those bodies, it is not proposed to fill those vacancies until the position at each school is clarified. The table below gives numbers for all LA governors, including those vacancies which are not presently being filled.

In order to reflect the political balance of the Council, the political balance on school governing bodies (as at 15 February 2006) should be: -

Conservative	141
Labour	109
Liberal Democrat	32
Total	282

The current balance on school governing bodies is: -

Conservative	149
Labour	91
Liberal Democrat	21
Vacancies	21
Total	282

All persons appointed will hold office for four years from the date of appointment or until the governing body has been reconstituted under the School Governance (Constitution) (England) Regulations 2003 if this has not already occurred.

The Group Secretaries have been advised of the vacancies.

RECOMMENDATION: That the Council make appointments to fill the vacancies reported.

2. ESTABLISHMENT OF A NEW TEMPORARY GOVERNING BODY FOR THE CLITTERHOUSE INFANT AND NURSERY SCHOOL AND CLITTERHOUSE JUNIOR SCHOOL

A new Temporary Governing Body is being established for the Clitterhouse Infant and Nursery School and Clitterhouse Junior School as a result of the School Organisation Plan 2003-08 A9.3 which includes the priority to merge Infant and Junior Schools when the opportunity arises. Once the new school has opened a permanent governing body will need to be established and the Temporary Governing Body will remain in place until then. There will be two LA Governors on the Temporary Governing Body and the Council is asked to appoint two representatives to these posts.

The Group Secretaries have been advised of the vacancies.

RECOMMENDATION: That the Council make appointments to fill the vacancies reported.

3. VACANCIES ARISING FROM RECONSTITUTION OF SCHOOL GOVERNING BODIES

Under the School Governance (Constitution) (England) Regulations 2003 the governing bodies of all schools in England must re-constitute themselves by 31 August 2006. The term of appointment of any governor appointed after 1 September 2003 finishes when the governing body reconstitutes and those governors may be reappointed. Appendix B lists (in bold) vacancies due to arise in the near future in the Council's representation on school governing bodies as a result of the Regulations.

All persons appointed will hold office for four years from the date of reconstitution.

The Group Secretaries have been advised of the vacancies.

RECOMMENDATION: That the Council make appointments to fill the vacancies reported.

4. REPRESENTATION OF THE COUNCIL ON OUTSIDE BODIES

Appendix C lists in bold the vacancies in the Council's representation on Outside Bodies.

The Group Secretaries have been advised of the vacancies.

Council is also asked to note that the Health and Social Care Partnership Board no longer meet and it is now defunct.

RECOMMENDATION:

1. That the Council make appointments to fill the vacancies reported.

2. That the Council notes that the Health and Social Care Partnership Board is now defunct.

5. REPRESENTATION OF THE COUNCIL ON THE GOVERNING BODY OF UNDERHILL JUNIOR SCHOOL

At the last Council meeting, Councillor Anita Campbell and Mrs P Lane were both appointed by the Council to vacancies P.1b.1 and P.1b.2 on the governing body of Underhill Junior School. However, these appointments were made in error, as under the School Governance (Constitution) (England) Regulations 2003 the number of Council representatives was reducing by one and only one post should have been filled.

No action has been taken to implement this decision, and the Council is recommended to rescind the decision and make an appointment to fill the vacancy.

Appendix D lists in bold the vacancies in the Council's representation on the governing body of Underhill Junior School.

RECOMMENDATION:

- 1. That the Council rescind the appointments of Councillor Anita Campbell and Mrs P Lane to the governing body of Underhill Junior School.**
- 2. That the Council make an appointment to fill the vacancy on the governing body of Underhill Junior School.**

6. REPRESENTATION OF THE COUNCIL ON THE GOVERNING BODY OF WHITINGS HILL PRIMARY SCHOOL

At the last Council meeting, Councillor Anita Campbell and Mr Daniel Webb were both appointed by the Council to vacancies P.03.2 and P.03.3 on the governing body of Whitings Hill Primary School. However, these appointments were made in error, as under the School Governance (Constitution) (England) Regulations 2003 the number of Council representatives was reducing by one and only one post should have been filled.

No action has been taken to implement this decision, and the Council is recommended to rescind the decision and make an appointment to fill the vacancy.

Appendix D lists in bold the vacancies in the Council's representation on the governing body of Whitings Hill Primary School.

RECOMMENDATION:

- 1. That the Council rescind the appointments of Councillor Anita Campbell and Mr Daniel Webb to the governing body of Whitings Hill Primary School.**
- 2. That the Council make an appointment to fill the vacancy on the governing body of Whitings Hill Primary School.**

APPENDIX A

Register of Appointments and Nominations on School Governors

1. Organisation: Barnfield Primary School

No. of Representatives: 4

Current Representatives

Vac Ref

1	- Councillor Linda McFadyen Period of Appointment:	(Expires 18/03/2006) 19/03/2002 to 18/03/2006	P.34.1 Labour
2	- Mr Sachin Rajput Period of Appointment:	(Resigned 03/02/2006) 09/07/2002 to 08/07/2006	P.34.2 Conservative
3	- Councillor Allan Turner Period of Appointment:	(Appointed 06/07/2004) 09/07/2004 to 08/07/2008	P.34.3 Labour
4	- Caroline Margo Period of Appointment:	(Appointed 09/07/2002) 09/07/2002 to 08/07/2006	P.34.4 Conservative

2. Organisation: Church Hill School

No. of Representatives: 3

Current Representatives

Vac Ref

1	- Ms Kelly Liza Tebb Period of Appointment:	(Resigned 02/03/2005) 19/03/2002 to 18/03/2006	P.11.1 Labour
2	- Councillor Daniel Hope Period of Appointment:	(Appointed 28/06/2005) 29/06/2005 to 28/06/2009	P.11.2 Conservative
3	- Mrs Joanna Tambourides Period of Appointment:	(Appointed 14/05/2003) 14/05/2003 to 13/05/2007	P.11.3 Conservative

3. Organisation: Foulds School

No. of Representatives: 3

Current Representatives

Vac Ref

1	- Mrs Sally Graham Period of Appointment:	(Appointed 31/01/2006) 01/02/2006 to 31/01/2010	P.04.2 Conservative
2	- Mr Nicholas Smith Period of Appointment:	(Expires 18/03/2006) 19/03/2002 to 18/03/2006	P.04.3 Conservative
3	- Councillor Wendy Prentice Period of Appointment:	(Appointed 31/01/2006) 01/02/2006 to 31/01/2010	P.04.4 Conservative

4. Organisation: Garden Suburb Infant and Garden Suburb Junior Schools

No. of Representatives: 4

Current Representatives

Vac Ref

1	- Ms Mary Ogle Period of Appointment:	(Appointed 01/04/2004) 02/04/2004 to 01/04/2008	P.24.1 Conservative
2	- Mrs Barbara Harris Period of Appointment:	(Appointed 01/04/2004) 02/04/2004 to 01/04/2008	P.24.2 Conservative
3	- Mr Christopher Kellerman Period of Appointment:	(Appointed 01/03/2005) 02/03/2005 to 01/03/2009	P.24.3 Conservative
4	- Mrs Rachel Silverstone Period of Appointment:	(Resigned 26/01/2006) 19/05/2004 to 18/05/2008	P.24.4 Conservative

5. Organisation: Livingstone Primary School

No. of Representatives: 3

Current Representatives

Vac Ref

1	- Mrs Usha Chopra Period of Appointment:	(Resigned 09/01/2006) 14/05/2003 to 13/05/2007	P.06.1 Labour
2	- Ms Rosallind Maira Period of Appointment:	(Appointed 14/05/2003) 14/05/2003 to 13/05/2007	P.06.2 Conservative
3	- Mrs Elizabeth Pearson Period of Appointment:	(Appointed 13/09/2005) 08/11/2005 to 07/11/2009	P.06.4 Labour

6. Organisation: St Marys CE High, NW4

No. of Representatives: 2

Current Representatives

Vac Ref

1	- Mr Richard Martyn Period of Appointment:	(Appointed 28/06/2005) 27/07/2005 to 26/07/2009	VS7.1 Conservative
2	- Ms Susan Lee Period of Appointment:	(Resigned 24/01/2006) 11/11/2003 to 10/11/2007	VS7.2 Conservative

7. Organisation: Temporary Governing Body for Clitterhouse Infant & Nursery School and Clitterhouse Junior School

No. of Representatives: 2

Current Representatives

Vac Ref

1	- NEW VACANCY		P.28c.1
2	- NEW VACANCY		P.28c.2

8. Organisation: The Compton School

No. of Representatives: 5

Current Representatives

			Vac Ref
1	- Councillor Barry Rawlings Period of Appointment:	(Appointed 10/9/2002) 10/09/2002 to 09/09/2006	S.06.1 Labour
2	- Mrs C Lake Period of Appointment:	(Appointed 2/3/2004) 30/03/2004 to 29/03/2008	S.06.2 Conservative
3	- Ms M Packer Period of Appointment:	(Appointed 10/9/2002) 10/09/2002 to 09/09/2006	S.06.3 Labour
4	- Ms Beverley Pearce Period of Appointment:	(Expires 18/3/2006) 19/03/2002 to 18/03/2006	S.06.4 Labour

N.B. APPOINTMENT UP TO DATE OF RECONSTITUTION ONLY

5	- Mr Dominic Pooniah Period of Appointment:	(Appointed 19/11/2002) 19/11/2002 to 18/11/2006	S.06.5 Conservative
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9. Organisation: The Martin Junior School

No. of Representatives: 4

Current Representatives

			Vac Ref
1	- Ms Helen Drake Period of Appointment:	(Appointed 31/01/2006) 21/02/2006 to 20/02/2010	P.20b.1 Labour
2	- Mr Richard Ableson Period of Appointment:	(Appointed 31/01/2006) 01/01/2006 to 20/02/2010	P.20b.2 Conservative
3	- Mrs J Shrank Period of Appointment:	(Resigned 05/04/2005) 11/02/2004 to 10/02/2008	P.20b.3 Conservative
4	- Ms Polly Napper Period of Appointment:	(Appointed 31/01/2006) 21/02/2006 to 20/02/2010	P.20b.4 Labour

10. Organisation: Woodridge Primary School

No. of Representatives: **REDUCING TO 2**

Current Representatives

Vac Ref

1	- Mr Fred Jarvis Period of Appointment: (P.19.1) Labour	(Resigned 21/11/2005) 09/07/2004 to 08/07/2008	} P.19.1a
2	- Mr Chris Harmanda Period of Appointment: (P.19.2) Conservative	(Resigned 07/01/2006) 19/11/2002 to 18/11/2006	

NB – ONE POST TO BE FILLED UP TO THE DATE OF RECONSTITUTION ONLY AT WOODRIDGE PRIMARY SCHOOL, THEREFORE ONLY ONE NOMINATION IS REQUIRED.

3	-Mrs Maria Paschali Period of Appointment: (P19.3) Conservative	(Appointed 19/11/2002) 19/11/2002 to 18/11/2006
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Register of Appointments and Nominations on School Governors Posts, which will expire on reconstitution of the Governing Body

Under the School Governance (Constitution) (England) Regulations 2003 the governing bodies of all schools in England must re-constitute themselves by 31 August 2006. The term of appointment of any governor appointed after 1 September 2003 finishes when the governing body reconstitutes and those governors may be reappointed. Appendix B lists (in bold) vacancies due to arise in the near future in the Council's representation on school governing bodies as a result of the Regulations.

All persons appointed will hold office for four years from the date of reconstitution.

1. Organisation: Christ's College School

No. of Representatives: **REDUCING TO 4**

Current Representatives

Vac Ref

1 - Mrs Marina Yannakoudakis	(Appointed 26/08/2004)	}	S.02.1a & S.02.1b
Period of Appointment:	27/08/2004 to 26/08/2008		
(S.02.1) Conservative			
2 - Mr Andrew McNeil	(Appointed 13/09/2003)	}	S.02.1a & S.02.1b
Period of Appointment:	13/09/2003 to 12/9/2007		
(S.02.2) Labour			
3 - Mr S Hart	(Appointed 06/07/2004)	}	S.02.1a & S.02.1b
Period of Appointment:	09/07/2004 to 08/07/2008		
(S.02.3) Conservative			

NB – ONLY TWO POSTS TO BE FILLED AT CHRIST'S COLLEGE SCHOOL, THEREFORE ONLY TWO NOMINATIONS ARE REQUIRED.

4 - Mr Barry Cullen	(Appointed 14/05/2003)	S.02.4
Period of Appointment:	14/05/2003 to 13/05/2007	Conservative
5 - Dr A Boulton	(Appointed 08/07/2003)	S.02.5
Period of Appointment:	01/09/2003 to 31/08/2007	Labour

2. Organisation: Hollickwood Primary School

No. of Representatives: 3

Current Representatives

Vac Ref

1 - Councillor Barry Rawlings Period of Appointment:	(Appointed 06/07/2004) 27/07/2004 to 26/07/2008	P.15.1 Labour
2 - Mr Mukesh Depala Period of Appointment:	(Appointed 19/11/2002) 19/11/2002 to 18/11/2006	P.15.2 Conservative
3 - Mrs Olga Qasim Period of Appointment:	(Appointed 23/06/2003) 23/06/2003 to 22/06/2007	P.15.3 Labour

3. Organisation: St Marys CE School, East Barnet

No. of Representatives: 1

Current Representatives

Vac Ref

1 - Rev Colin Smith Period of Appointment:	(Appointed 06/07/2004) 07/07/2004 to 06/07/2008	VP.19.1 Labour
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4. Organisation: St Agnes RC School

No of Representatives: 1

Current Representatives

Vac Ref

1 - Councillor Jack Cohen Period of appointment:	(Appointed 10/02/2004) 17/02/2004 to 16/02/2008	VP13.1 Liberal Democrat
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5. Organisation: Sunnyfields Primary School

No. of Representatives: **REDUCING TO 2**

Current Representatives

Vac Ref

1 - Councillor Maureen Braun Period of Appointment: (P.31.1) Conservative	(Resigned 19/10/2005) 09/07/2004 to 08/07/2008	} P.31.1a
2 - Mr A Maund Period of Appointment: (P.31.2) Conservative	(Appointed 18/11/2004) 19/11/2004 to 18/11/2008	

NB- ONLY ONE POST TO BE FILLED AT SUNNYFIELDS PRIMARY SCHOOL, THEREFORE ONLY ONE NOMINATION IS REQUIRED.

3 - Mr R J Teare Period of Appointment:	(Appointed 8/7/2003) 01/09/2003 to 31/08/2007	P.31.3 Liberal Democrat
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6. Organisation: Woodridge Primary School

No. of Representatives: **REDUCING TO 2**

Current Representatives

Vac Ref

1 - Mr Fred Jarvis Period of Appointment: (P.19.1) Labour	(Resigned 21/11/2005) 09/07/2004 to 08/07/2008	} P.19.1a
2 - Mr Chris Harmanda Period of Appointment: (P.19.2) Conservative	(Resigned 07/01/2006) 19/11/2002 to 18/11/2006	

NB – ONLY ONE POST TO BE FILLED AT WOODRIDGE PRIMARY SCHOOL, THEREFORE ONLY ONE NOMINATION IS REQUIRED.

3 - Mrs Maria Paschali Period of Appointment:	(Appointed 19/11/2002) 19/11/2002 to 18/11/2006	P.19.3 Conservative
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Register of Appointments and Nominations on Outside Bodies

1. Organisation: Day's and Atkinson's Almshouse Charity

Special Conditions:

Persons appointed need not be Members of the Council but ***they must be nominated by the Councillors representing the Edgware Ward.***

Appointment is five years, or for the remaining unexpired term if an appointee is replaced mid-term.

No. of Representatives: 2 (Representative Trustees)

Current Representatives

Vac Ref

1 - Mrs Jackie Page	(Appointed 20/03/2002)	1003
Period of Appointment:	20/03/2002 to 19/03/2006	Member
2 - Councillor Brian Gordon	(Appointed 26/11/2002)	1004
Period of Appointment:	26/11/2002 to 25/11/2006	Member

2. Organisation: Friends of Moat Mount Campsite

Special Conditions:

Representative should be a Council Officer or a Councillor.

No. of Representatives: 1

Current Representatives

Vac Ref

1 - Councillor Steven Blomer	(Appointed 19/03/2002)	0601
Period of Appointment:	19/03/2002 to 18/03/2006	Member

3. Organisation: Queen Elizabeth Grammar Schools Endowment Fund

Special Conditions:

(a) Person appointed may, but need not, be a Member of the Council.

(b) Trustee's term of office begins on the day of the Council meeting on which the appointment is made and no further appointment or re-appointment may be made until a vacancy occurs.

(c) A person appointed to fill a casual vacancy should hold office only for the unexpired term of office of the representative he/she replaces.

The Trust meets twice a year in March and October and venue for meetings alternates between QE Girls & QE Boys.

No. of Representatives: 3 (Representative Trustees)

Current Representatives

Vac Ref

1 - Mrs Pauline Coakley-Webb (Appointed 20/03/2002)	1117
Period of Appointment: 20/03/2002 to 19/03/2006	Member
2 - Councillor Wendy Prentice (Appointed 02/03/2004)	1118
Period of Appointment: 03/03/2004 to 02/03/2008	Member
3 - Councillor Brian Coleman (Appointed 10/02/2004)	1119
Period of Appointment: 16/02/2004 to 15/02/2008	Member

APPENDIX D

REPRESENTATION OF THE COUNCIL ON THE GOVERNING BODIES OF UNDERHILL SCHOOL AND WHITINGS HILL PRIMARY SCHOOL

1. Organisation: Underhill Junior School		
No. of Representatives: REDUCING TO 2		
Current Representatives		Vac Ref
1 - Councillor Anita Campbell	(Appointed 11/11/2003)	} P.1b.3
Period of Appointment: 11/11/2003 to 10/11/2007	11/11/2003 to 10/11/2007	
(P.1b.1) Labour		
2 - Mrs P Lane	(Appointed 11/11/2003)	} P.1b.3
Period of Appointment: 11/11/2003 to 10/11/2007	11/11/2003 to 10/11/2007	
(P.1b.2) Conservative		
NB – ONLY ONE POST TO BE FILLED FOR UNDERHILL JUNIOR SCHOOL, THEREFORE ONLY ONE NOMINATION IS REQUIRED.		
3 - Mrs Pauline Coakley-Webb	(Appointed 10/09/2002)	P.1b.3
Period of Appointment: 10/09/2002 to 09/09/2006	10/09/2002 to 09/09/2006	Labour

2. Organisation: Whitings Hill Primary School		
No. of Representatives: REDUCING TO 3		
Current Representatives		Vac Ref
1 - Councillor Daniel Hope	(Appointed 31/01/2006)	P.03.1
Period of Appointment: 20/02/2006 to 19/02/2010	20/02/2006 to 19/02/2010	
2 - Councillor Susan Steinberg	(Resigned 08/12/2005)	} P.03.1a
Period of Appointment: 09/07/2002 to 08/07/2006	09/07/2002 to 08/07/2006	
(P.03.2) Conservative		
3 - Mr Steve Tyler	(Resigned 30/06/2005)	} P.03.1a
Period of Appointment: 03/03/2004 to 02/03/2008	03/03/2004 to 02/03/2008	
(P.03.3) Labour		
NB – ONLY ONE POST TO BE FILLED AT WHITINGS HILL PRIMARY SCHOOL, THEREFORE ONLY ONE NOMINATION IS REQUIRED.		
4 - Mrs Judy Copping -Joyce	(Appointed 31/01/2006)	P.03.4
Period of Appointment: 20/02/2006 to 19/02/2010	20/02/2006 to 19/02/2010	Conservative