

	<p>Policy & Resources Committee</p> <p>19th July 2018</p>
<p style="text-align: right;">Title</p>	<p>Business Planning 2018-24</p>
<p style="text-align: right;">Report of</p>	<p>Councillor Richard Cornelius</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>Yes</p>
<p style="text-align: right;">Key</p>	<p>No</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A – Medium Term Financial Strategy (MTFS) to 2025</p> <p>Appendix B – Capital additions, deletions, slippage & accelerated spend</p> <p>Appendix C – Capital Programme</p>
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<p>Summary</p>
<p>This paper provides an update on the council’s revenue and capital financial position including the council’s Medium Term Financial Strategy (MTFS) to 2023/4. The paper also sets out proposed amendments to the capital programme.</p>

Recommendations

The report recommends that the Committee:

1. Notes the current forecast of the revenue overspend for 2018/19 as set out in paragraph 1.2.3;
2. Approve the capital programme additions, deletions, slippage and accelerated spend as set out in Appendix B;
3. Approves that the council fund a 10% contribution to the cost of both the Henrietta Barnett School and St Michael's School applications to the Selective School Expansion Fund, should they be successful, up to a maximum cap of £1 million across the two schools at a revenue cost of £53,000 per year;
4. Approves the deletions from the Capital Programme as set out in table 1; and
5. Approves the debt write offs over £5,000 described in paragraph 1.2.11

1. WHY THIS REPORT IS NEEDED

1.1 Executive Summary

- 1.1.1 Business planning and strategic financial management enable the council to plan its future direction on the basis of the best strategic fit between the resources available to meet stakeholder needs and expectations and the external conditions which prevail. This report sets out how the council intends to do this and the assumptions it has made.
- 1.1.2 In March 2018, the council set a Medium Term Financial Strategy (MTFS) covering the period 2018 to 2020. The MTFS for this period identified a total gross budget gap of £39.1 million. After mitigating actions and the planned use of reserves, in the MTFS anticipated a balanced position for 2018/19 and a remaining gap of £5.9m for 2019/20.
- 1.1.3 In June 2018, the financial position was considered by Policy and Resources Committee. The council's outturn position for 2017/18 showed a significant overspend of £7.9m in addition to an unplanned net drawdown from specific and general earmarked reserves of £5.6m. This overspend was also in addition to the planned use of reserves for 2017/18 of £7.7m. Overall, the total call on revenue reserves and balances for 2017/18 has therefore been **£21.2m**.
- 1.1.4 Given the scale of the 2017/18 overspend and the challenges of delivering some of the previously approved savings, the Council has financial pressures which cannot easily be mitigated during 2018/19. In June 2018, Policy and Resources Committee agreed that £9.5m of mitigations were required, and that progress in addressing these issues be reported to its July 2018 meeting.

1.2 Budget Management 2018/19

- 1.2.1 As reported to June Policy and Resources Committee, the rate of spend at the end of 2017/18 leads to gross initial pressures estimated at £11m during 2018/19. The June meeting agreed that an additional £1.5m of income should be targeted by reviewing recharges to the HRA and reflecting in the budget the increased levels of income currently being experienced within the Environment group of services.
- 1.2.2 June Policy and Resources Committee also noted that the remaining net pressure was therefore estimated at £9.5m. Along with the planned use of £4.04m of reserves set out in the agreed MTFs, this would mean an in-year detriment to general fund reserves and balances of £13.54m (2017/18 £21.148m).
- 1.2.3 As a result of the recovery plans put in place, the originally forecast pressure of £11m is presently anticipated to be managed down to £2.8m. The analysis of the remaining pressures across services is as follows:

	£'000
Family Services	650
Adults Services Placements	500
HR, OD & Pensions Administration	522
Customer Services & Registrars	361
Strategy and Communications	-
Environment Services	(1,000)
CSG Payments	522
Under achievement of income targets	1,630
Estates - leasing and running costs	1,119
Estates - Repairs and Maintenance	1,164
Estates - Security Costs	325
Housing (incl increased HRA recharge)	(165)
IT & Information Management	352
Legal costs	266
Service related budget variance	6,245
One off Capital Financing Underspend	(2,976)
Constrain inflationary uplifts	(500)
Corporate Budget Variances	(3,476)
Anticipated Period 2 Budget Variance	2,769

- 1.2.4 As the budget already includes an assumption of £4.04m to balance and forecast planned drawdowns of £0.9m, the revised calculation for the draw from reserves and balances totals £7.7m.

1.2.5 More detailed narratives of the forecast in-year variances will be presented to the Financial Performance and Contracts Committee throughout the year.

Write-Offs

1.2.6 Actions taken to recover debt over £5,000 are as per the council's Income and Debt Management Policy. If an invoice is raised and remains unpaid, the "dunning" process comes into play as follows:

- Level 1 – a reminder is sent after 21 days
- Level 2 – a second notice is sent after 35 days i.e. a further 14 days.

1.2.9 The income team have reviewed all Level 2 cases remaining outstanding greater than 49 days (allowing a further 14 days to pay after the Final Notice) to decide whether the debt recovery should proceed.

1.2.10 Depending on the type of debt, customers and circumstances, the use of debt collectors or issuing proceedings in the County Court is considered. Every case is treated individually, hence the circumstances of each debt is assessed prior to taking a decision in the recovery of the debt in conjunction with the delivery unit.

1.2.11 Sundry debt write-offs, totalling £13k relating to Housing Revenue Accounts are requested for write-off, the details of which are:

ACCOUNT NO	AMOUNT	TERMINATION DATE	REASON
170179541	£13,009.80	19/03/2018	Deceased Without Estate
1	£13,009.80		

1.3 Capital Programme

1.3.1 The June Committee report highlighted that the existing Capital Programme totalled a planned expenditure of £734.5m funded through a variety of means. The revenue budget allocated to fund the borrowing requirement within this plan is less than required to support the programme. Given the lack of scope to increase revenue budget to support this over programming it was recommended that the Chief Executive presents options to the July 2018 Policy and Resources Committee to reduce the capital programme to fit within affordability levels.

1.3.2 In addition, the June 2018 Capital Programme identified a risk of under achievement of Capital Receipts. It was noted that a regular update on progress against the planned total was provided to the committee.

1.3.3 Officers have reviewed the current capital budgets and their profiling and propose the following changes for approval by the Committee.

Changes to the Capital Programme

- 1.3.4 The proposed changes to schemes below refer to the total value of the project life. There are also proposed changes to the profiling in which expenditure will be incurred. These changes are included at Appendix B.
- 1.3.5 The total value of reduction to the Capital Programme is £89.9m. This reduction consists of the following changes to funding sources:

Grants

A net reduction of £5.9m has been reflected to recognise the anticipated actual grant values to be received. The largest reduction is within the Education and Skills service where unallocated contingency has been released to fit within the known Basic Need allocations.

Section 106

Although this funding source has been reduced, the receipts are ringfenced to specific outputs and any under allocation will be realigned where appropriate.

Capital Receipts

The net reduction in Capital Receipts of £20.6m directly reduces the risks associated with the under recovery of receipts. The current shortfall that remains for the year is £26m. Officers are strategically reviewing the council's options in relation to surplus assets to maximise their commercial potential and will report back to the Committee in Autumn.

CIL

Although the proposed changes remove £4.0m of projects funded by CIL, this presents the council with the option to substitute this funding source for borrowing for eligible schemes elsewhere within the Capital Programme.

Special Parking Account (SPA)

Schemes funded by the SPA have been reduced which releases £1.6m. This could be used towards other eligible capital schemes or released to support the council's revenue position as a one-off.

Borrowing

Borrowing has reduced by £56.5m, made up of £69.3m of reductions, and the inclusion of an additional £12.8m in relation to the Strategic Infrastructure Fund for Brent Cross South, previously budgeted to be funded by capital receipts. This is an on-lending arrangement with the Brent Cross South Joint Venture, which will only be entered into if the terms ensure that the council's costs are at least fully covered. Heads of Terms are currently being drafted. This scale of reduction in borrowing costs significantly helps the short to medium term revenue position of the council.

- 1.3.6 The updated Capital Programme can be found at Appendix C.

Proposed Addition

- 1.3.7 In June 2018 the Education and Skills Funding Agency launched the Selective School Expansion Fund, which will provide £50m of capital funding in 2018-19 to support the expansion of selective schools. Any applications in respect of voluntary aided (VA) will only be funded at 90% of the total expenditure. Both Henrietta Barnett School and St Michael's School have approached the Council about supporting their bids, including through a financial contribution to support their application. This paper sets out that £7 million of planned borrowing is being removed from the Educational Capital Programme and it is proposed that some of this is reinstated to fund a 10% contribution to the cost of these two applications, the total cost of this contribution expected to be less than £1,000,000. The revenue cost of this will be £53,000 per year. This addition is not reflected in the financial position explained at point 1.2.4 nor Appendix C.

Table 1- Proposed Changes

Directorate	Project	Budget Change Description	Amount	Grant	S106	Capital Receipts	RCCO	CIL	Parking reserve	Borrowing
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults	CCTV installation	Scheme no longer needed	(71)				(71)			
Commissioning	Depot relocation	Scheme complete - budget not needed	(2,920)			(2,920)				
Commissioning	Copthall Infrastructure Enhancement	Funding realigned for new project	1,000							1,000
Commissioning	Asset Management	Budget not required	(1,000)							(1,000)
Commissioning	Centre for Independent Living & Libraries	Budget not required	(4)	(1)						(3)
Commissioning	Daws Lane Community Centre	Budget not required	(1,224)			(1,224)				
Commissioning	Libraries asset management	Budget moved from Family services	506			133				373
Commissioning	ICT strategy	Budget not required	(2,361)			(2,361)				
Commissioning	Sports and Physical activities	East Barnet partnership library added to this project	500			500				
Education and Skills	St Mary's & St John's	Budget not required	(4,043)	(4,043)						
Education and Skills	Saracens Primary	Projects identified separately and removed from the unallocated	2,200	2,200						
Education and Skills	Kosher Kitchen	Projects identified separately and removed from the unallocated	800	800						
Education and Skills	Brookland	Projects identified separately and removed from the unallocated	1,064	1,064						
Education and Skills	Coppets Wood ASD	Projects identified separately and removed from the unallocated	62	62						
Education and Skills	Chalgrove Primary school ASD	Projects identified separately and removed from the unallocated	500	500						
Education and Skills	Whitefield School ASD	Projects identified separately and removed from the unallocated	2,000	2,000						
Education and Skills	School place planning (Primary)	Split budget out and reduce to Basic Need Grant Value	(7,900)	(7,900)						
Education and Skills	Alternative Provision	Reduced budget to level of basic need available	(2,000)							(2,000)
Education and Skills	Contingency	Removed as projects contain contingency	(5,007)							(5,007)
Family services	Libraries and library capital works	Budget moved to commissioning	(506)			(133)				(373)
Family services	Loft conversion and extension policy for Foster Carers	Scheme underspend	(240)			(5)				(235)
Family services	East Barnet Partnership Library	remove projects and add to the SPA project in commissioning	(500)			(500)				
Parking and Infrastructure	CCTV	Scheme no longer needed	(625)							(625)
Parking and Infrastructure	CCTV Projects Retention	Scheme no longer needed	(84)			(84)				
Parking and Infrastructure	Town Centre Bays	Scheme no longer needed	(75)			(75)				
Parking and Infrastructure	Parking signs and lines introduction and replenishment	Scheme no longer needed	(800)						(600)	(200)
Parking and Infrastructure	Car Parking improvement	Scheme no longer needed	(1,000)						(1,000)	
Parking and Infrastructure	DLO restructure and Investment project	Budget transferred to Highways (permanent re-instatement)	(250)			(250)				
Parking and Infrastructure	Highways (permanent re-instatement)	Budget transferred from DLO	250			250				
Re	Traffic Management	Scheme reduced to remove the borrowing	(111)							(111)
Re	Travel Plan Implementation	Scheme reduced to remove the borrowing	(25)							(25)
Re	Reconstruction of Railway Bridges	Scheme no longer needed	(650)			(29)				(621)
Re	Carriageways	Transfer £500k to Green spaces	(500)							(500)
Re	Road Traffic Act - Controlled Parking Zones	Scheme budget reduced	(4)			(4)				
Re	Parking	Scheme no longer needed	(28)			(28)				
Re	Saracens Primary	Scheme budget reduced	(6)				(6)			

Re	Mill Hill East	Scheme no longer needed	(520)			(30)			(490)	
Re	BXC - Funding for land acquisition	Remove critical infrastructure pending funding strategy	(55,000)						(55,000)	
Re	West Hendon Highway Improvement	Scheme no longer needed	(7,370)	(3,300)				(4,070)		
Re	Development pipeline	Funding changed from borrowing to s106	0		282				(282)	
Re	Strategic Infrastructure Fund	Scheme to be funded by borrowing and not capital receipts	0			(12,814)			12,814	
Re	Disabled Facilities Grants Programme	Scheme budget amended to fit within grant funding available	(1,300)	2,673		(973)			(3,000)	
Re	Housing Association Development Programme - New Affordable Homes	Scheme no longer needed	(1,416)		(1,516)					
Re	GF Regeneration	Scheme no longer needed	(1,000)						(1,000)	
Streetscene	Fuel Storage Tank	Scheme no longer needed	(60)						(60)	
Streetscene	Replacement Bins	Scheme no longer needed	(706)						(706)	
Streetscene	Street litter bins	Scheme no longer needed	(50)			(50)				
Streetscene	Green spaces development project	Budget transferred from Re-carriageways	500						500	
TOTAL			(89,974)	(5,945)	(1,234)	(20,597)	(77)	(4,070)	(1,600)	(56,551)

Capital Financing

Capital Programme Affordability

1.3.8 The proposed changes contained above reduce the capital programme total to £643m, with £494m being from the General Fund. The General Fund element of this includes borrowing of £274m. The revenue implications of this are set out in the table below.

	18/19 £'000s	19/20 £'000s	20/21 £'000s	21/22 £'000s	22/23 £'000s
Total Borrowing	248,562	353,030	375,154	375,154	375,154
Total Cost of Borrowing	16,908	22,771	26,446	26,680	26,663
Total Budget	19,885	21,551	26,280	28,205	29,246
Variance to budget (Revenue)	(2,976)	1,220	167	(1,524)	(2,582)

1.3.9 With the current value of the borrowing requirement there will be a revenue pressure in 2019/20 of £1.2m. This is based on the likely borrowing arrangements and equates to roughly £0.053m financing costs per £1m additional borrowing.

1.3.10 Officers will continue to review the capital programme actively to ensure that the capital programme for 2019/20 is brought within the revenue budget.

Capital Receipts

1.3.11 The proposed amended Capital Programme is funded by an assumption of £54.4m in Capital Receipts. For 2018/19 the General Fund Capital Receipts requirement has slightly reduced to £34m. The current balance of receipts is £8m. This means that an additional £26m is required to be generated in year to meet the financing requirements of the current Capital Programme. Any decisions on the disposal of council assets will be considered by the ARG Committee.

1.3.12 The consequences of not achieving this level of receipts would be that the council will need to borrow more to meet the council's commitments. As discussed in earlier paragraphs this would have a detrimental impact on the revenue position of the council to the extent of £0.053m per £1m additional borrowing. The council could further reduce the capital programme and/or partially achieve receipts through the sale of capital assets. The revenue implications of these options range from zero (if the full value of required receipts was achieved) through to £1.378m if the full £26m was substituted for borrowing.

1.3.13 The Capital Receipts position will continue to be monitored closely and regular updates provided to both the Policy and Resources Committee and the Financial Performance and Contracts Committee.

1.4 **Brent Cross Cricklewood**

1.4.1 The funding strategy for Brent Cross West station and other critical infrastructure was agreed by Policy and Resources Committee in May 2016. Members will recall that it includes £97m of central government funding, alongside £173m (uninflated) of council borrowing to be repaid through business rates from the growth of Brent Cross Shopping Centre which have been ringfenced by government for this purpose. The Committee set six tests to be met before this borrowing can be entered into. Officers are currently reviewing the funding strategy and the six tests and an update will be brought to the October meeting of the Policy and Resources Committee.

1.5 **Medium Term / Strategic Planning for Financial Sustainability**

The MTFS Assumptions

1.5.1 The main assumptions within the MTFS are:

- **Pressures:** an assumption has been made in the MTFS for future demographic pressures specifically for Adults and Children's Social Care costs. This is based on the latest demographic projections from the GLA and specific data from the Projecting Older People Population Information System (POPPI) and the Projecting Adult Needs and Service Information System (PANSI). Based on existing budget monitoring, underlying budget pressures have also been factored into the budget;
- **Inflation (pay):** the agreed pay award by Greater London Provincial Council is assumed for 2019/20 and then 1% increase for future years;
- **Inflation (non-pay):** contractual inflationary amounts have been included based on the CPI inflationary rates announced in the Spring statement 2018 by Treasury.
- **North London Waste Authority (NLWA) levy:** figures for the NLWA levy are based on the latest information from the NLWA.
- **Capital financing costs:** the council's borrowing requirement has been reviewed, taking into account the latest projections on the current capital programme spend;
- **Concessionary fares:** increases have been projected in line with demographic changes of the 60+ population in Barnet;
- **Business rates:** The assumption on business rates is that the pool will be in place for 2018/19 only and so future income is based on the original split of the council retaining 30% of the share of income which is assumed to be increased by the CPI rates.
- **Revenue Support Grant:** reflects the funding settlement announced for 2019-20
- **Social Care Precept:** the council has the flexibility of raising a maximum of 6% between 2017/18 and 2019/20 via the social care precept to spend

exclusively on Adults social care, including care for the elderly. In 2017/18, the council set the Social Care Precept at 3% on council tax and a further 3% for 2018/19. Therefore 0% social care precept has been assumed from 2019/20.

- **General council tax:** a 2.99% increase has been assumed each year from 2019/20 onwards.
- Assumed a balance position for 2018/19 and that the gap of £9.5m will be achieved.

1.5.2 There are known risks which have not been factored into the current MTFs, these are:

- Impact of not achieving 50% recycling rates: the estimated impact of the new facility on the borough levy is an increase of £6m from 2021 onwards. However, this is predicated on achieving 50% recycling rate. Our current rate is c39% and whilst there are initiatives planned to achieve behaviour change through education and information, achievement of this will still require a change in current practices;
- Demographic increases and increases in complexity of social care packages: the MTFs factors in an increase in demographic pressures, however if the increase that services experience are more than this, then this could result in an overspend across those services impacted, as seen in 2017/18 in Adults services;
- Business rates: on the current business rates retention scheme, there is a risk that the current deficit will continue to grow;
- Non-pay inflation: the current MTFs assumes a CPI increase in contract spend, however inflation on some of the contracts is being assessed at 4%, if this is the case on most of the contracts, then this could result in an overspend across services.
- North London Waste Levy - due to the problems with the Edmonton Plant (new turbine) which will result in a loss. However, this may be covered by insurance. If not, then there might be an increase in levy charges by £1.2m in 2019/20

2. REASONS FOR RECOMMENDATIONS

2.1 Local Government as a whole continues to face significant reductions in funding and increased demand for services, as set out in the strategic context. These require continual longer term robust financial planning and the recommendations in this report support the plan to ensure that adequate budget provision is allocated to the council's service areas.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 The alternative option to reducing the capital programme would be to make revenue reductions in order to fund the cost of borrowing.

4. POST DECISION IMPLEMENTATION

- 4.1 Following approval of these recommendations, the budget changes will be processed in the financial accounting system.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This supports the Council's corporate priorities as expressed through the Corporate Plan for 2015-20 which sets out the vision and strategy for the next five years based on the core principles of fairness, responsibility and opportunity, to make sure Barnet is a place:

- Of opportunity, where people can further their quality of life;
- Where people are helped to help themselves, recognising that prevention is better than cure;
- Where responsibility is shared, fairly;
- Where services are delivered efficiently to get value for money for the taxpayer.

- 5.1.2 The Corporate Plan will be refreshed and will align with the updated MTFS period to 2023/24. This update to the corporate plan may significantly change the priorities and performance measures of the Council.

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

- 5.2.1 The revenue budget proposals will enable the council to meet its savings target as set out in the MTFS. These budgets will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of the council budget setting process. For this reason, the proposals are subject to change annually.

- 5.2.2 The council's financial regulations require that virements for allocation from contingency for amounts over £250,000 and capital programme additions must be approved by Policy and Resources Committee.

5.3 Social Value

- 5.3.1 None applicable to this report, however the council has to take into account the requirements of the Public Services (Social Value) Act 2012 to try to maximise the social and local economic value it derives from its procurement spend. The Barnet living wage is an example of where the council has considered its social value powers.

5.4 Legal and Constitutional References

- 5.4.1 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper

administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.4.2 Article 7 of the Council’s Constitution sets out the terms of reference of the Policy and Resources Committee which include:

- Responsibility for strategic policy finance and corporate risk management including recommending: Capital and Revenue Budget; Medium Term Financial Strategy; and Corporate Plan to Full Council
- To be responsible for the overall strategic direction of the Council including strategic partnerships, Treasury Management Strategy and internal transformation programmes.
- To be responsible for those matters not specifically allocated to any other committee affecting the affairs of the Council.

5.4.3 The council’s financial regulations state that amendments to the revenue budget can only be made with approval as per the scheme of virement table below:

Revenue Virements

Virements for allocation from contingency for amounts up to £250,000 must be approved by the Section 151 Officer in consultation with appropriate Chief Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the bottom line are approved by Service Director
Virements between services (excluding contingency allocations) up to a value of £50,000 must be approved by the relevant Chief Officer
Virements between services (excluding contingency allocations) over £50,000 and up to £250,000 must be approved by Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee

Capital Virements

Performance and Contract Management approval is required for all capital budget and funding virements and yearly profile changes (slippage or accelerated spend) between approved capital programmes i.e. as per the budget book. The report must show the proposed: i) Budget transfers between projects and by year; ii) Funding transfers between projects and by year; and iii) A summary based on a template approved by the Section 151 Officer
Policy and Resources Committee approval is required for all capital additions to the capital programme. Capital additions should also be

included in the quarterly budget monitoring report to Performance and Contracts Committee for noting.

Funding substitutions at year end in order to maximise funding are the responsibility of the Section 151 Officer.

6. Risk Management

- 6.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. The allocation of an amount to contingency is a step to mitigate the pressures that had yet to be quantified during the budget setting process.
- 6.2 The future savings proposals are significantly challenging and dependent on a range of factors often outside of the control of the service and with longer lead in times. The achievement of savings predicated on reducing demand through improved preventative work and social work practice should lead to better outcomes. However the relationship between early intervention/prevention and reduced demand on services is not always linear and is subject to a range of both controllable and uncontrollable variables. There is therefore a risk that the savings set out may not be deliverable as the Council must always ensure that safeguarding of adults, children and young people, and meeting its homelessness obligations, remains paramount.

7. Equalities and Diversity

- 7.1 The Equality Act 2010 and The Public Sector Equality Duty outlined in statute, require elected Members to satisfy themselves that equality impact considerations have been fully taken into account in developing all the proposals which emerge from the finance and business planning process, and considered together with any mitigating factors. As part of the council's approach to strengthening how due regard is paid to equalities in decision making, the council will analyse the equality impact of each of those proposals in the budget year in question and will also develop a cumulative impact assessment of all the proposals. The council's Annual Equalities Report for 2016/17 reports on how this process was carried out in 2016/17.
- 7.2 Similarly, all human resources implications will be managed in accordance with the council's Managing Organisational Change policy that supports the council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.

8. Corporate Parenting

- 8.1 In July 2016, the Government published their Care Leavers' strategy Keep on Caring which outlined that the "... [the government] will introduce a set of corporate parenting principles that will require all departments within a local authority to recognise their role as corporate parents, encouraging them to look at the services and support that they provide through the lens of what a reasonable parent would do to support their own children.'

8.2 There are seven corporate parenting principles that local authorities must have regard to when exercising their functions in relation to looked after children and young people, as follows:

1. to act in the best interests, and promote the physical and mental health and well-being, of those children and young people;
2. to encourage those children and young people to express their views, wishes and feelings;
3. to take into account the views, wishes and feelings of those children and young people;
4. to help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners;
5. to promote high aspirations, and seek to secure the best outcomes, for those children and young people;
6. for those children and young people to be safe, and for stability in their home lives, relationships and education or work; and;
7. to prepare those children and young people for adulthood and independent living.

8.3 Chief officers are having regard to their responsibilities towards looked after children and young people, and care leavers, in developing mitigation actions. The review of the capital programme has protected expenditure on the new children's home, and maintained the programme of loft conversions for foster carers at the level of current actual expenditure.

9. Consultation and Engagement

9.1 In terms of service specific consultations, the Council has a duty to consult on proposals to vary, reduce or withdraw services in the following circumstances:

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

9.2 Consultation is also recommended in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equalities duties. Consultation will take place on individual proposals linked to projects as they are developed, and the outcome of the consultation will need to feed into Committees as decision are taken.

10. Insight

10.1 Information regarding population projections are sourced from the Greater London Authority and service specific demographic change information is sourced from specialist organisations.

11. Background Papers

Committee	Item & Agenda	Link
Policy & Resources 11 June 2018	Item 4 Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=9458&Ver=4
Full Council 6 March 2018	Item 12 Business Planning 2018-20	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=9162&Ver=4
Policy & Resources 13 February 2018	Item 13 Business Planning 2018-20	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8742&Ver=4
Policy & Resources 21 July 2014	Item 6 Finance and Business Planning – Capital programme and review of reserves	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7860&Ver=4