	Financial Performance and Contracts Committee **28th October 2019**
Title	**Chief Financial Officer Report Month 5 (August 2019)**
Report of	Director of Finance (Section 151 Officer)
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A: Revenue forecast Appendix B: Capital forecast
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Summary

This report contains a summary of the Council's revenue and capital financial performance for the financial year 2019/20 as forecasted at Month 5 ending 31st August 2019. It also contains information on the level of debt, debtors and treasury performance for the period to 31 August 2019.

Officer Recommendations

1. The Committee is asked to note the 2019/20 revenue forecast outturn, as detailed in Table 1 and in Appendix A;

2. The Committee is asked to note the savings anticipated to be delivered in 2019/20, as detailed in Table 6;

3. The Committee is asked to note the 2019/20 capital forecast outturn, as detailed in Table 7 and in Appendix B;

4. The Committee is asked to note the level of reserves and balances as detailed in Table

Officer Recommendations
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5. The Committee is asked to note the treasury position outlined in section 4.
6. The Committee is asked to note the debtors position outlined in section 5.

1. Executive Summary

1.1 This report provides an overview of the council's forecast financial outturn for the 2019/20 financial year.

1.2 The General Fund revenue forecast for 2019/20 is a net overspend of £4.654m. Although this appears to be an adverse movement of £0.509m on the month 4 forecast position, taking account of the adjustments which should have been reflected in month 4 the actual movement is £0.005m adverse. This forecast is stated after the contributions to and from specific and general earmarked reserves reported for month 5 totalling £4.769m net drawdown, as shown in Table 1. Excluding these reserve movements, the net forecasted overspend would be £9.423m.

1.3 This financial forecast at P5 gives an adverse movement of £0.005m (£0.509m) from month 4 (and are further detailed in Table 2 below this executive summary), with the most significant variance movements being set out as follows:

- **Children's Services £0.837m favourable movement:** The projected current forecast overspend for 2019/20 is £1.161m compared to £1.998m in month 4. The overall forecast reduced by £0.837m as a result of non-pay contract inflation being taken into account in month 5 and grant funding changes which have now been confirmed.

- **Growth and Corporate Services £0.815m adverse movement:** The projected current forecast overspend for 2019/20 is £3.391m compared to £2.576m in month 4. The movement in variance between month 4 and month 5 is £0.815m. Of this, £0.802m is due to increased running costs of Brent Cross, an income shortfall of £0.320m in Brent Cross due to vacated leases, and payment of statutory rate compensation of £0.110m as a result of a legal settlement arising from negotiations to secure a lease on a commercial property.

- **Housing £0.110m adverse movement:** relating to incentive payments to landlords, £0.040m in reduced savings due to property acquisitions, which will now commence in 2020/21 and a favourable reduction of £0.114m in net temporary accommodation costs. The Property Development Agreement (PDA) income is less than previously forecast which has resulted in an increase to the Guaranteed Income target. There is £0.086m pressure relating to additional legal costs.

- **Finance £0.529m adverse movement:** There was a release of £496k to service areas from contingency and the forecast had not been amended to take account of this.

1.4 The adverse month 5 position requires mitigation as per financial regulations and recovery plans detailing management actions are being developed.

1.5 The General Fund balance as at 1 April 2019 was £15.083m (excluding schools' balances). The net overspend of £4.564m would ordinarily reduce the General Fund balance as at April 1st 2019, however the balance is planned to be maintained by means of a transfer from the MTFS reserve.

1.6 The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 1st April 2019, the council held reserves of £63.626m. Net drawdowns from earmarked reserves of £10.023m are forecast as at month 5 which would result in total earmarked reserves as at 31 March 2020 of £51.434m. This includes a drawdown for the forecast 2019/20 overspend (£4.654m). Table 9 provides a summary of the position at month 5.

1.7 The forecast as at 31 August 2019 on the council's 2019/20 capital programme is £317.595m; £226.534m which relates to the General Fund programme and £91.061m relates to the HRA capital programme. This is £320.329m less than the currently approved 2019/20 budget of £637.924m. However, £220.448m of the General fund variance relates to Brent Cross, giving a general fund variance excluding this of £82.578m. The variance is the net slippage after additions, accelerations and deletions. The figure approved at P&R report for slippage (after accelerations) of £153.447m. This figure did not include the later adjustments on Brent Cross which are still therefore subject to approval.

1.8 The council has operated within the Prudential Indicators for borrowing. For deposits there was an emphasis on high quality secure borrowers and to ensure that funds remain available to meet cash requirements.

1.9 Investment deposits are managed internally. As at 31 August 2019, deposits outstanding were £133.9 million, achieving an average annual rate of return of 0.79% against a benchmark average (7-day London Interbank Bid Rate - LIBID) of 0.57%. The benchmark is the rates that banks pay to attract deposits from other banks.

1.10 The total value of long-term loans as at 31 August 2019 was £384.08m. In the five months to 31 August 2019 £80 million of new 50-year borrowing was acquired from the PWLB. The average rate of interest on the new borrowing is 1.935% (range 1.67% to 2.15%) compared with an average interest rate for the existing long-term borrowing of 3.86%. It is planned to borrow a further £80 million (£160 million for the year) debt to fund the capital programme.

1.11 The total sundry debt owed to the Council over 30 days as at 31 August 2019 was £20.171m, a reduction of £3.321m for the same period in 2018. Between July and August 2019 overall debt increased by £1.068m, and the value of debts aged over 90 days decreased by £1.032m. Further detail and a summary table regarding the debt owed to the council is set out in section 8 of this report.

2. Financial Considerations

2.1. Revenue Forecast

General Fund

2.2 The General Fund revenue forecast for 2019/20 is a net overspend of £4.654m, an adverse movement of £0.005m (£0.509m) on the month 4 forecast position. This forecast is stated after the contributions to and from specific and general earmarked reserves reported at month 5 totalling £4.769m, as shown in Table 1. Excluding these reserve movements, the net forecasted overspend would be £9.423m.

Table 1: General Fund Revenue Forecast

	Revised Budget £000	Actuals to 31/08/2019 £000	Period 5 forecast before reserves movements £000	Variation to revised budget £000	Reserve Movements £000	Period 5 forecast after reserve movements £000	Variation to revised budget £000
Adults and Health	113,142	31,280	116,383	3,241	(621)	115,762	2,620
Assurance	5,678	2,551	6,683	1,005	(997)	5,686	8
Children's Family Services	66,711	29,841	68,236	1,525	(364)	67,872	1,161
Growth and Corporate services	38,372	20,410	43,446	5,074	(1,683)	41,763	3,391
Environment	21,885	17,078	24,522	2,636	(1,104)	23,418	1,532
Finance	55,396	9,647	51,339	(4,058)	0	51,339	(4,058)
Service Total	**301,185**	**110,808**	**310,608**	**9,423**	**(4,769)**	**305,839**	**4,654**

2.3 On the 3rd October, Policy and Resources Committee gave approval to allocate additional funds from the council's contingency budget. These movements are reflected in the forecast and budget adjustment will be reflected in the period 6 forecast.

2.4 The forecasted overspend as at month 5 (after reserve movements) has increased by £0.509m from £4.145m to £4.654m since the forecast reported at month 4. Although this appears to be an adverse movement of £0.509m on the month 4 forecast position, taking account of the late adjustment in contingency the actual movement is £0.005m.

2.5 The main movements are shown in Table 2 below.

Table 2: Movement from Period 4 Forecast to Period 5

Variance Movements	P4 Variance	P5 Variance	Movement Increase / (Decrease)	Explanation of significant movements
	£000	£000	£000	

Variance Movements	P4 Variance	P5 Variance	Movement Increase / (Decrease)	Explanation of significant movements
Adults and Health	2,666	2,620	(46)	The monthly forecast reduction of £46k is due an increase in vacant positions and delays in recruitment for various teams.
Assurance	(10)	8	18	Monthly movement due to several small costs changing in organisational resilience
Children's Family Services	1,998	1,161	(837)	There was a £0.521m non-pay contract inflation adjusted in month 5 and grant funding changes resulting in a further net favourable change of just over £0.316m
Growth and Corporate Services	2,576	3,391	815	A large number of changes related to housing strategy and Brent Cross. Detailed further in paragraphs 1.5.to 1.7 as part of the executive summary.
Environment	1,502	1,532	30	This was a number of non-material cost changes across several areas netting off.
Finance	(4,587)	(4,058)	529	There was a release of £496k to service areas where the forecast had not been amended to take account of this. The remaining £33k was due to a budget movement where the subscriptions budget was moved to Organisational Resilience to pay for London Local Authority Central Resilience Fund contributions.
Total	**4,145**	**4,654**	**509**	

2.6 The main reasons for the forecast overspend of £4.654m as at month 5 are set out below by exception and highlights only. Further detail can be seen in Appendix A.

2.7 Adults and Health: The overall forecast to year end 2019/20 is an overspend of £2.620m. This includes Sports and Leisure budget pressure of £0.719m related to loss of income due to closure of wet area of Finchley Lido leisure centre. Service User placements area is forecasted to overspend by £1.467m, mostly due to Older Adults and Mental Health areas.

2.8 The non-placements budget is forecasting to overspend by £0.434m because of £621k of unfunded staffing pressure, offset by underspends in several other areas, mostly due to management recovery actions set in place to address these pressures.

2.9 Non-achievement of any savings and mitigating actions will lead to an increased pressure. Risks are being monitored monthly. The key risks being monitored in this area are demand risk and for a winter spike in activity.

2.10 Children's and Families: The overall forecast to year end 2019/20 is an overspend of £1.161m. Key pressures making up the £1.161m overspend are identified in staffing, legal, no recourse to public funds, and placements. Children's budgets have been subject to detailed review led by the Director and budget managers and has now been re-aligned against priorities for better forecasting and management purposes. (This process would not adversely affect services and is focused on continuous improvements in management control and the clarity of reporting.) The ongoing pressures after this exercise are reflected in the current overspend.

2.11 Staffing budgets are £0.7m over spent. Detailed staffing monitoring continues to be undertaken, including detailed monitoring and forecasting all agency staff on a week by week basis. Forecasts reflect the service's recruitment plans and held vacancies.

2.12 There are ongoing pressures on the legal budget of £0.3m due to more children in proceedings.

2.13 No recourse to public funds is forecasted at £0.200m by year end in this demand led statutory area of spend.

2.14 The placements forecast, though currently within the realigned budget, includes considerable placement churn of: £1.4m, of which £1.288m is external placements and £0.127m is internal placements. There are, as demonstrated in the forecast movements experienced month by month, considerable pressures with significant shifts in demand patterns and risks across all such areas to be managed. These tend to mitigate towards year end if only due to part year effects of new placements coming in, however minor adverse changes towards year end can significantly impact following years.

2.15 Growth and Corporate The overall forecast to year end is an overspend of £3.391m. This represents 8.8% of the total Delivery Unit budget, and is £0.815m higher than last month.

2.16 The key pressures remain within the **CSG Managed Budget**, which is reporting a £2.361m overspend, is made up of £0.690m of additional expenditures across a range of areas, including rates relief, security and estate fly tipping. A £0.469m shortfall on income relating to document solutions, £0.411m additional rates and service charges for NLBP due to the delay in moving to Colindale, £0.206m overspend in relation to additional depot costs and £0.150m savings not achieved regarding Barnet House rate relief. Further pressures arise from £0.147m in relation to additional security required around the Colindale building, and payment of statutory rate compensation of £0.110m as a result of a legal settlement and £0.180m for fly-tipping and additional repairs and maintenance.

2.17 The **CSG Management Fee** budget reports a £0.268m overspend mainly from delays in implementing the new Customer Services Model. Within Human Resources and OD there is a pressure of £0.130m in respect of staff recharges for trade union activities. There is a net pressure of £0.355m within the homeless budget from non-delivery of savings re acquisitions and incentive payments to landlords.

2.18 The balancing overspend is comprised of £0.9m unachieved savings across the budget areas. This forecast also reflects the proposed virement of the Flexible Housing Support Grant of a further £0.9m. It is worth noting that Guaranteed Income, Projects and the management fee for the provider Re are now reflected here.

2.19 A number of management actions have been taken and a recovery plan is being developed.

2.21 **Environment**: The overall forecast to year end 2019/20 is an overspend of **£1.532m**. This includes **Frontline waste £1.162m** with the pressures related to the significant changes in this area including staffing, maintenance and other costs. Additionally, £0.367m forecast overspend is due to operational issues particularly with the Harrow Depot.

2.22 Greenspaces has an adverse variance of £0.237m and is principally adverse commercial income of £0.415m which is in part mitigated through s106 £0.181m and some minor other variances netting off. The balance for environment overall is made up in a number of smaller variances.

2..23 Environment has had an additional significant issue arise in year in regard to the Oakleigh depot and which has significant operational impacts. This is explained further below in Section 6 Strategic Financial Matters and the background papers to this paper include a link to the relevant Policy & Resources committee papers.

2.24 **Finance and Assurance** the major part of the variance is due to a delay in the capital programme resulting in (1) reduced debt financing requirement and (2) additional interest income as a result of cash not being spent. The other major contributing factor has been £0.8m over achievement on Housing Benefits overpayment recovery.

2.26 **Public Health** are forecasting to deliver over budget with a reserve contribution of £0.261m to balance. Table 3a is provided below summarising the position including the contribution to reserves.

Table 3a: Public Health Grant Forecast

Public Health 2019-20	2019-20 Budget £000	2019-20 Forecast £000	Overspend / (Underspend) £000	Change from Last Month £000
Adults Funding				
Savings	340	340	0	0
Wider Determinants	1,300	1,300	0	0
Adults Funding Total	**1,640**	**1,640**	**0**	**0**
Children's Funding				
Early Years	925	925	0	0
HV CommOfficer	75	75	0	0
MASH Officer	50	50	0	0
Savings	340	340	0	0
Health Visiting Services	4,281	4,362	80	0
School Nursing Service	955	982	27	0
Oral Health	59	59	0	0
Children's Funding Total	**6,684**	**6,792**	**108**	**0**
PH Direct Spend				
Drugs & Alcohol	2,906	2,906	(1)	0
Health Checks	257	257	0	0
Legal	0	10	10	0
Sexual Health	3,110	3,147	37	0
Staffing and Support	1,586	1,494	(92)	0
Tobacco Control	150	150	0	0
Young People's Public Health	256	502	246	0
Health In All Policies	38	0	(38)	0
Health Care PH	75	67	(8)	0
PH Own Budget Total	**8,379**	**8,533**	**154**	**0**
Total Before Reserves	**16,703**	**16,954**	**261**	**0**
Reserve Drawdown		(261)	(261)	0
Total After Reserves	**16,703**	**16,703**	**(0)**	**0**

3.0 Housing Revenue Account (HRA)

3.1 The HRA Revenue is forecasting a deficit of £2.8m against a budgeted deficit of £10.7m resulting in a net favourable variance of £7.902m. The HRA revenue balances are now showing an improved forecast at an estimated £9.5m at 31st March

2020 (c/fwd £12.3m at 31st March 2019 – table 12). This will be significantly above the required minimum level of £3m.

Table 3b: Housing Revenue Account Forecast

2019/20 P5	Budget £000	Actual to date £000	Forecast £000	Variance £000
Dwelling Rent	(48,634)	(17,303)	(49,159)	(525)
Service & Other Charges	(8,897)	(5,953)	(8,572)	325
Housing Management	20,473	8,576	21,779	1,306
Repairs & Maintenance	7,570	3,796	7,580	10
Provision for Bad Debt	250	0	250	0
Regeneration	837	(52)	893	56
Capital Charges	30,134	0	30,134	0
RCCO	9,074	0	0	(9,074)
Interest on Balances	(95)	(2)	(95)	0
HRA (Surplus) / Deficit	**10,712**	**(10,940)**	**2,810**	**(7,902)**
Transfers to/(from) reserves	(10,712)		(2,810)	7,902
HRA (Surplus) / Deficit	**0**	**0**	**0**	**0**

3.1 The main reasons for the variance from budget are; (i) a shortfall in rental income (garages and commercial property) income (ii) additional costs within housing management for increases in insurance premiums, cost of a head lease and agreed change notices with Barnet Homes. These are offset by the partial benefit of additional rental income due to the additional rent week in 2019/20.

3.2 A review of the HRA commitments was undertaken and budget revisions have been put forward to restore the level of balances. The main change has been to remove revenue contributions to capital outlay (RCCO) funding and replace with borrowing.

Dedicated Schools Grant (DSG)

3.3 The DSG budget for 2019/20 has been revised to take into account the brought forward reserve of £1.543 and additional funding from Central Government of £0.964m announced in December 2018. With these additions to the budget the DSG is forecasting an underspend of £0.594m. This is reflected in Table 4.

3.4 The High Needs block is forecasting an overspend of £1.171m due to top-up funding for high needs pupils. The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and providers to meet their

statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality Alternative Provision for pre-16 pupils who cannot receive education in schools.

3.5 DSG High Needs funding has not kept up with inflation or the rate of demographic growth in recent years, whereas demand, driven by a mixture of demographic change, the growing complexity of needs and the new framework created by the SEN reforms, has grown significantly. Local authorities across England are facing similar problems and many are known to have faced significant overspending on their High Needs budgets.

3.6 The High Needs pressure is partly offset by underspends in the Schools Block. The Growth Fund for expanding schools is forecasted to underspend by £1.565m. In addition, there is underspend in school improvement de-delegation of £0.200m, as agreed with School's forum.

3.7 There have been no previous transfers between funding blocks under the new ring-fenced arrangements for funding blocks. In previous years there has been underspending in the overall Schools Budget, which helped to create reserves that could be used to address new pressures, such as the need to allocate 'growth funding' for new and expanding schools. However, the reserves have gradually been used up, largely to pay for growth funding and because of the growing pressures on the High Needs budget.

Table 4: Dedicated Schools Grant

Dedicated Schools' Grant			
	Revised Budget £000s	Period 5 forecast after reserve movements £000s	Variation to revised budget £000s
Schools			
Schools Budget	144,013	142,248	-1,765
Central schools expenditure	2,183	2,183	0
Sub-total	**146,196**	**144,431**	**-1,765**
Early Years Block	28,928	28,928	0
High Needs Block	46,888	48,059	1,171
Sub-total	**222,012**	**221,418**	**-594**
DSG Income	-220,469	-220,469	0
DSG c/f	-1,543	-949	594

Dedicated Schools' Grant			
	Revised Budget £000s	Period 5 forecast after reserve movements £000s	Variation to revised budget £000s
Total	0	0	0

Savings

3.7. In 2019/20 the council budgeted to deliver £19.965m of savings. Table 5 below summarises the value of savings that are expected to be achieved against the savings programme. In total, £18.356m of savings is expected to be delivered by year end, representing 89% of the target. Delivery of these expected savings is included in the forecasts reported in table 1.

3 Table 5: Savings 2019/20

Service Area	MTFS Savings target 2019/20 £.000	Savings Delivered as at P5 £.000	Total Savings Expected to be Delivered by 31/3/20 £.000	Savings expected to be achieved
Adults & Safeguarding	(7,518)	(4,603)	(7,213)	95.9%
Children and Family Services	(3,912)	(2,366)	(3,912)	100.0%
Environment	(4,567)	(375)	(3,973)	87.0%
Growth and Corporate Services	(3,925)	(1,981)	(3,131)	79.8%
Assurance	(43)	(27)	(27)	62.4%
Total	**(19,965)**	**(9,351)**	**(18,256)**	
Percentages	**100%**	**47%**	**91%**	

3.8. Adults and Health savings of £7.518m are broadly to be achieved in 2019/20. The £0.305m gap (£7.518m less £7.213m) relates to staffing efficiencies and a further review of savings is ongoing for period 6 which might result in reduction in achievable savings forecast.

3.9. Growth and Corporate Services forecasted gap is £0.794m (£3.925m less £3.131m) and is partly due to the new model of customer services being delayed. The main cause, totalling £1.186m which was planned to be achieved by the transfer properties and debt management to Open Door Homes. However due to an update to guidance

on the setting aside additional money for repayment of borrowing this saving is no longer achievable.

3.10. The Environment variance is due to delays on savings and income in Greenspaces and the inability to institute certain savings, which is now being reviewed in current MTFS budget development process. The total forecasted gap is £0.594m (£4.567m less £3.973m).

4.0. Capital Programme

4.1. Capital

The forecast as at 31 August 2019 on the council's 2019/20 capital programme is £317.595m, of which £226.534m relates to the General Fund programme and £91.061m relates to the HRA capital programme. This is £320.329m less than the currently approved 2019/20 budget of £637.924m. However, it should be noted that £220.448m of the General fund variance relates to Brent Cross, excluding this the general fund variance would be £82.578m or 31% of £265.624m budget. To reconcile to the earlier P&R report of 3rd October take off the Brent Cross adjustment to the grand totals and the net slippage is then £153.447m and the variance is £99.881m. The table below provides a summary of the position as reported at Period 5.

Table 6: Capital Forecast

Service Area	2019/20 Budget £000	Additions / (Deletions) £000	(Slippage)/ Accelerated Spend £000	2019/20 P5 Forecast £000	Variance from Approved Budget £000	Exp to 31/08 2019 £000
Adults and Health	14,679	300	(795)	14,184	(495)	8,778
Children's Family Services	49,430	(34)	(24,427)	24,969	(24,461)	8,974
Growth and Corporate services	165,959	6,355	(58,626)	113,688	(52,271)	28,472
Environment	35,556	1,050	(6,401)	30,205	(5,351)	3,732
Brent Cross	263,936		(220,448)	43,488	(220,448)	32,446
General Fund Programme Total	**529,560**	**7,671**	**(310,697)**	**226,534**	**(303,026)**	**82,402**
HRA	108,364	45,895	(63,198)	91,061	(17,303)	16,445
Grand Total	**637,924**	**53,566**	**(373,895)**	**317,595**	**(320,329)**	**98,847**

Note: To reconcile the table to the P&R 3rd October report the £373.895m less the £220.448m Brent cross adjustment adds up to £153.447m in net slippage/accelerated spend and £99.881m total variance. Brent cross adjustments funding allocations are still to be confirmed and are shown pro-rata to the funding below in table 8.

4.2. Highlights of the key issues arising in regard to variances in the table above are provided below by service area.

4.3 **Adults and Health** have forecasted slippage of £0.128m on Mosaic which will cover phase two of the implementation project; and £0.667m on the Sports and Leisure capital project to cover retention payments to the provider for the building of the two new centres.

4.4. **Children and family services** - The original budget for 2019/20 was known to require significant and detailed reprofiling during 2019/20 to better reflect the programmes and plans for schools. The reprofiled capital budget now reflects more appropriately the current project plans, the various school requirements and the externally agreed direct funding from the DfE. This has resulted in slippage of £24.427m, the deletion from the programme of £0.046m reflects reduced modernisation grant funding.

4.5 **Growth and Corporate service** has an overall predicted spend of £113.688m with a net variance of £52m slippage to budget and significant areas are detailed below.

4.6 **Projects outside of housing have 3 significant items.** The £22m Saracens Loan to construct their new West Stand. To date Saracens have drawn down £1.122m to date and will continue to do so as required. The Asset Management Project which is to capitalise appropriate repairs and maintenance charges has £1.649m approved in 19/20 with £0.408 spent to date and is on target to spend on budget. Lastly ICT strategy which has a budget of £2.980m and is being re-profiled significantly as the move to Colindale has delayed £0.428m.

4.7. Within **Housing Strategy**, the Housing Needs and Resources (Tackling Homelessness) capital programme is showing predicted slippage of £52.89m. The most significant movements were due to two schemes being delivered by Open Door homes where the phasing of the delivery of these programmes are being reviewed and this has resulted in £47.732m being reprofiled to later years. The balance is made up of slippages and changes to a number of micro / modular housing projects.

4.8 Environment has a budget of £35.556m and is expecting to spend some £30m with a net predicted slippage of £3.501m. This is due principally to LED lighting which has had a slow start and some £3.8m of spend has been moved to next year . There have been a number of changes across highways programmes making up the difference and this includes prioritisation of Network Recovery Programme works and other priority needs within contractor capacity.

4.9. **Brent Cross** has been reprofiled and the forecast spend is likely to be £43m in 2019/20. However further reprofiling is underway with third party partners. A significant level of the slippage has been reprofiled to 2020/21 and thereafter.

4.10. **The HRA (Barnet Homes)** is forecast at month 5 to spend £91m out of a total budget of £108m. However considerable reprofiling and re-planning is ongoing and updates into period 6 may reduce this forecast further. The period 5 position is as follows .

4.11. At month 5 there is slippage of £63.198m due to re-profiling of major programmes principally. These are notably:

- Extra care housing £33.789m where a delay was caused by a longer period to acquire the site;
- Dollis Valley £6.589m due to reprofiling; and

- HRA safety works of £16.489m where consultations are required before projects can commence. This reprogramming was necessary to incorporate all of the different elements approved by the Housing Committee into individual packages, ensuring an approach which is the most efficient and least disruptive for residents

The overall position is offset by additions/deletions of £45.895m around major works and gas £36.418m and voids and lettings £12.223m and some small items offset by £4.418m deletion as funds are no longer required on certain advanced acquisitions.

Funding of Capital Programme

4.12. Table 7 below updates how the 2019/20 forecast capital programme is being funded.

Table 7: Funding of 2019/20 Capital Programme

Service Area	Grants/ Other contributions	S106	Capital Receipts	Revenue /MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Health	2,000				10,124	2,060	14,184
Children's Family Services	21,418	921	228		408	1,994	24,969
Growth and Corporate services	3,088	16,966	14,632	2,191	1,620	75,191	113,688
Environment	4,337	527	3,092	457	5,138	16,653	30,205
Brent Cross	37,029					6,459	43,488
General Fund Programme	**67,872**	**18,414**	**17,952**	**2,648**	**17,290**	**102,357**	**226,534**
HRA	6,270	-	4,712	49,893	-	30,186	**91,061**
Total Capital Programme	**72,872**	**18,414**	**21,543**	**22,215**	**17,290**	**114,947**	**317,595**

Note: Some allocations are indicative pending confirmations and approvals including the re-allocation of Re within directorates. To reconcile to P&R 3rd October report reverse the later Brent Cross figures, all shown as indicative.

4.13. Table 8 shows the movements in the capital programme and reflection in Funding from the original.

Table 8: Funding movements of 2019/20 Capital Programme at month 5

Service Area	Grants / Other £000s	S106 £000s	Capital Receipts £000s	Revenue /MRA £000s	CIL £000s	Borrowing £000s	Total £000s
Adults and Health	(667)					172	(495)
Children's Family Services	(24,461)						(24,461)
Growth and Corporate services	(529)	(1,973)	(670)		(5,114)	(43,985)	(52,271)
Environment		(532)	(775)			(4,044)	(5,351)
Brent Cross	(187,709)					(32,739)	(220,448)
General Fund Programme	(25,657)	(2,505)	(1,445)		(5,114)	(268,305)	(303,026)
HRA	32,061		(11,007)			(38,357)	(17,303)
Total Capital Programme	6,404	(2,505)	(12,452)		(5,114)	(306,662)	(320,329)

Note: To reconcile the table to the P&R report 3rd October remove the later Brent cross adjustments. Brent cross funding allocations are still to be confirmed and are shown pro-rata to the funding.

5.0. Reserves and Balances

5.1 The council's total reserves are forecast to be £44.605m at the end of 2019/20. This will be £19.021m lower than at the start of the year. This reduction includes planned use of reserves of £8.057m which was budgeted for within the MTFS to achieve a balanced position for 2019/20.

5.2 There are several one-off items which are expected to reduce reserves in the current financial year. These include transformation expenditure (£0.778m), use of the Special Parking Account (£1.104m) and a drawdown from contingency to support the adjustment to of Re contract payments (£1m). For this item, the council previously received the benefit of a management fee payment reduction of £1m and now receives a one-off reduction in the level of guaranteed income.

Table 9: Reserves and Balances

All figures £000s	Reserves	SPA Reserve	Transformation	Other specific Reserves	Total	Notes Ref
b/fwd total	**49,150**	**2,233**	**3,083**	**9,160**	**63,626**	
Planned Drawdowns						
Planned Revenue Drawdown	5,357	0	0	0	5,357	
CF Smoothing Reserve	2,700	0	0	0	2,700	
Planned Total	**8,057**	**-**	**-**	**-**	**8,057**	
Service Drawdowns						
Adults and Health	0	0	360	261	621	1
Assurance	0	0	0	747	747	
Environment	0	1,104	0	0	1,104	
Family Services	0	0	0	364	364	2
Growth and Corporate Services	1,265	0	0	0	1,265	3
Finance	250	0	0	0	250	4
Other	0	0	418	0	418	
	0	0	0	0	0	
Sub total Service Drawdowns	**1,515**	**1,104**	**778**	**1,372**	**4,769**	
General fund Forecast Revenue	4,654	0	0	0	4,654	
Contributions to Capital	600	-		-	600	
Total in year Drawdown	**6,769**	**1,104**	**778**	**1,372**	**10,023**	**5**
Available c/fwd	**34,324**	**1,129**	**2,305**	**6,587**	**45,546**	

Notes to Table

1. Includes specific reserves drawdown of £0.261m from Public Health from a c/fwd of £1.462m see public health section and table
2. Troubled Families grant
3. Income Guarantee and Contract review
4. Strategic Contract Realignment - Strategic HR & Finance

To reconcile to P&R report of 3rd October, the reported forecast general fund spend to year end at that point was £1.111m higher at £5.765m and is now £4.654m, because of further forecasting work and differences in reporting times. The overall drawdown reduces from £11.134m by £1.111m to £10.023m

6.0. General Fund Balance

6.1. The General Fund balance as at 1 April 2019 was £15.083m (excluding schools' balances). The net overspend of £4.654m at month 5 would ordinarily reduce the General Fund balance as at 31st March 2020, however, the balance will be maintained by means of a transfer from the MTFS reserve.

Earmarked Reserves

6.2. The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 1st April 2019 the council held reserves of £63.626m. Net drawdowns from earmarked reserves of £10.023m are forecast as at month 5 which would result in total earmarked reserves as at 31 March 2019 of £51.434m.

Table 10: Estimated drawdown details

Reserve drawdown	£000
Impact of forecast budget variances on the MTFS reserve	(4,654)
Transformation reserve expenditure	(778)
Drawdown to support Re contract adjustment between years	(1,000)
Strategic Contract Realignment - ongoing review	(265)
Strategic Contract Realignment - Strategic HR & Finance	(250)
Revenue Implications of capital	(600)
Community Budgets and Troubled Families	(364)
Public Health expenditure	(261)
Payment of recovery of the proceeds of crime act	(747)
Drawdown from Parking Reserve towards eligible expenditure	(1,104)
Total	**(10,023)**

To reconcile to P&R report of 3rd October the reported forecast spend to year end at that point was £1,111m higher and this has now be adjusted downwards after additional work, favourably, for final figures at P5.

Public Health Reserve

6.3. Included within earmarked reserves is the ring fenced public health reserve which, after proposed drawdowns, is forecast as £1.201m. The service is continuously identifying proposals to deliver better public health outcomes and where significant opportunities arise including work with partners to maximise the leverage the grant provides then additional programmes will be presented for appropriate approvals. Some budgets are demand led and final figures may change.

Table 11: Public Health Grant Reserve

Public Health Grant Reserve	£000
Public Health Ringfenced Reserve as at 1 April 2019	1,462
Budgeted deficit (planned drawdown)	261
Public Health Forecast Balance 31 March 2020	**1,201**

Housing Revenue Account Balance

6.4. The Housing Revenue Account (HRA) has a budgeted contribution from balances of £10.712m in 2019/20. The forecast outturn for the year as at 31st August 2019 is a deficit of £2.810m, therefore the forecast balance is £9.512m for the 31st March 2020.

Table 12: HRA Balance

HRA Balance	£000
HRA Balance brought forward 1 April 2019	(12,322)
Budgeted deficit	10,712
variance from budget	(7,902)
Forecast HRA Balance 31 March 2020	**(9,512)**

Dedicated Schools Grant Balance

6.5. The DSG reserve as at 1 April 2019 was £1.543m which was budgeted to be drawn down. As at Period 5, an in-year overspend is forecast which would result in the DSG balance £0.594m.

Table 13: DSG Balance

DSG Balance	£000
DSG Balance brought forward 1 April 2019	(1543)
Budgeted drawdown	1543
In-year overspend	594
Forecast DSG Balance 31 March 2020	**(594)**

6.6. The Schools Forum need to approve any carry forward of a DSG deficit on central expenditure to the following year, if it is to be funded from the schools' budget. Otherwise, the deficit will fall on the General Fund.

The options to reduce / limit the forecast deficit are as follows:

- Move 0.5% or less from the school block to the high needs block with Secretary of State approval. A recovery plan will be needed. Internally the council already requires all services with an overspend to develop a recovery plan.

- Reduce the high needs top up rates for SEN pupils/ reduce out of borough education places, review central services and operate full cost recovery charging.

7.0. Treasury Management
TREASURY MANAGEMENT

Investment Performance

7.1 Investment deposits are managed internally. As at 31 August 2019, deposits outstanding were £133.9 million, achieving an average annual rate of return of 0.79% against a benchmark average (7-day London Interbank Bid Rate - LIBID) of 0.57%. The benchmark is the rates that banks pay to attract deposits from other banks. The list of deposits outstanding is detailed in table 14 below.

Table 14: Investments Outstanding as at 31 August 2019

	Principal (£'000)	Interest Rate (%)	Start Date	Maturity Date	Lowest long term rating	Historic risk of Default (%)
Money Market Fund						
MMF Federated Investors	25,000	0.74			AAA	0.000
MMF Invesco	12,000	0.71			AAA	0.000
MMF Aviva	15,500	0.72			AAA	0.000
Total Money Market	**52,500**					
Banks						
Australia & New Zealand	10,000	0.85	17-Jun-19	30-Sep-19	AA-	0.002
Australia & New Zealand	5,800	0.88	20-Jun-19	31-Oct-19	AA-	0.004
Australia & New Zealand	7,500	0.82	05-Aug-18	29-Nov-19	AA-	0.006
Sumitomo Mitsui	10,000	0.76	15-Aug-19	31-Jan-20	A	0.022
Sumitomo Mitsui	10,000	0.77	20-Aug-19	20-Nov-19	A	0.012
Sumitomo Mitsui	5,000	0.77	27-Aug-19	29-Nov-19	A	0.013
LLOYDS BANK	6,500	0.97	21-Jun-19	29-Nov-19	A+	0.013
LLOYDS BANK	6,600	0.82	13-Aug-19	23-Dec-19	A+	0.016
LLOYDS BANK	10,000	0.85	15-Aug-19	28-Feb-20	A+	0.026
Santander	10,000	0.79	27-Aug-19	28-Feb-20	A	0.026
Total Banks	**81,400**					
Total Investments	**133,900**	**0.79**				**0.007**

NB: All the above counterparties have a limit of £25 million. No limits are exceeded.

Borrowing

7.2 The council has operated within the Prudential Indicators for borrowing. For deposits there was an emphasis on high quality secure borrowers to ensure that funds remain available to meet cash requirements. The Local Government Act 2003 requires the council to set maximum limits on its total outstanding debt. During the period to 31 August 2019, there were no breaches of the Authorised Limit (maximum permitted debt) and the Operational Boundary (the value of debt considered affordable).

The council's timeframes and credit criteria for placing cash deposits and the parameters for undertaking any further borrowing are set out in the Treasury Management Strategy (TMS). The TMS for 2019/20 was approved by Council on 5 March 2019. The Treasury Management Strategy requires regular compliance reporting to include an analysis of deposits made during the period. This also reflects good practice and will serve to reassure that all current deposits for investment are in line with agreed principles as contained within the corporate Treasury Management Strategy.

7.3 The total value of long-term loans as at 31 August was £384.08m. In the five months to 31 August 2019 £80 million of new 50-year borrowing was acquired from the PWLB. The average rate of interest on the new borrowing is 1.935% (range 1.67% to 2.15%) compared with an average interest rate for the existing long-term borrowing of 3.86%. It is planned to borrow a further £80 million (£160 million for the year) debt to fund the capital programme.

Short-term Borrowing

7.4 During the five months to 31 August 2019 short term borrowing of £15 million has been repaid on maturity. The remaining short-term borrowing of £30 million matures in September (£10m at 0.95% p.a.) and December (£20m at 0.9% p.a.).

7.5 The total loans outstanding has increased in the five months by £65 million to £414.08 million (31 March 2019: £349.08 million). The projected debt as at 31 March 2020 is £464.08 million. The authorised debt limits (absolute maximum permitted) is £739.4 million and the Operational Boundary (maximum consistent with long term affordability) is £639.4 million.

Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

Table 15: Maturity Structure of Fixed Rate Borrowing

	Limits for 2019/20 %
Upper Limit for Fixed Rate Exposure	100
Compliance with Limits:	Yes
Upper Limit for Variable Rate Exposure	40
Compliance with Limits:	Yes

Table 16: Maturity Structure of Fixed Rate Borrowing

Maturity Structure of Fixed Rate Borrowing	Lower Limit %	Upper Limit %	Actual Fixed Rate Borrowing as at 31/08/19 £'000	% Fixed Rate Borrowing as 31/08/19	Compliance with Set Limits?
Under 12 months	0	50	30,000	7.24%	Yes
12 months and within 24 months	0	50	0	0.00%	Yes
24 months and within 5 years	0	75	0	0.00%	Yes
5 years and within 10 years	0	75	22,516	5.44%	Yes
10 years and above	0	100	361,564	87.32%	Yes
Total			**414,080**	**100.00%**	

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Table 17: Capital Financing Requirement and External Debt

	Forecast for March 2020 £'000
Prudential Indicator – Capital Financing Requirement (CFR)	
CFR – Non-housing	510,370
CFR – Housing	244,616
Total CFR	**754,986**
Prudential Indicator – The Operational Boundary for External Debt	
Borrowing	639,385
Other long-term liabilities	15,601
Total debt	**654,986**

Normally, borrowing should be less than the CFR indicating that all borrowing is for capital purposes.

8.0. Debtors

8.1. An analysis of debtors as at the 31 August 2019 is provided below at Table 18 and 19. It should be noted that this information is a snapshot as at that date and the position will change daily.

8.1.2. Between July and August 2019 overall debt increased by £1.068m. The value of debts aged over 90 days decreased by £1.032m.

8.1.3. Concerted effort by the council's finance team has been dedicated to reducing the level of outstanding debt. Table 19 gives detail of the top ten individual debts by debtor (totalling £11.556m). The total of outstanding debt as at 31 August 2019 was £23.187m a reduction of £25m since 31st March 2019.

8.1.4. Overdue debt (up to 30 days and older) as at 31 August 2019 was £20.171m a reduction of £3.321m for the same period in 2018 where the outstanding balance was £23.492m, resulting in a material improvement to the council debt position.

Table 18: Aged Debt Analysis as at 31st August 2019 (All figures £000s)

Period	Current £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000	Total Debt £000
Month 5	3,017	2,195	1,401	784	15,790	23,187
Month 4	1,582	1,859	1,481	374	16,821	22,117
Movement	**1,435**	**336**	**-80**	**410**	**(1,031)**	**1,068**

Table 19: Top 10 debtors as at 31st August 2019 (All figures £'s)

Debtor	Current	Up to 30 days	30 - 60 days	60 - 90 days	Over 90 days	Total Debt
NHS Barnet CCG	51,545	602,871	0	462,500	5,977,089	7,094,005
Comer Homes	0	0	0	0	992,522	992,522
The Fremantle Trust	0	7,595	0	0	804,572	812,167
New Granville LLP	0	481,500	0	0	0	481,500
The Archer Academy	0	461	584	0	334,020	335,065
Deeya Limited	0	0	0	0	318,807	318,807
Choices For Grahame Park Ltd	0	59,988	252,145	0	6,606	318,739

Debtor	Current	Up to 30 days	30 - 60 days	60 - 90 days	Over 90 days	Total Debt
The Barnet Group (see Creditor below)	448,776	20,814	16,457	99,158	153,479	738,684
Reading Borough Council	0	0	237,336	0	0	237,336
Affinity Water (see Creditor below)	2,684	28,769	195,246	(700)	1,442	227,441
Total	**503,005**	**1,201,998**	**701,768**	**560,958**	**8,588,537**	**11,556,266**

8.1.4 The committee requested that the relevant creditor balances for these particular debtor is provided. There are only to from the above that have creditor balances at this point in the reporting cycle (refer to table 20).

Table 20 Associated creditor balance related to Top 10 debtors

-

	Creditor Balances relating to the above debtors
The Barnet Group	14,639,334
Affinity Water	1,640,6170
	16,279,951

9.0. Strategic Financial Matters

9.1. Oakleigh Depot – Streetscene

9.1.1. The recent report to Policy and Resources committee sets out the background and plans in regard to the ground issues at the Oakleigh Road South Depot (depot), the remedial works required, and the service implications for residents and businesses.

9.1.2. The report including exempt part (see the background reports table below for the link) taken to October 3rd 2019 P&R provides a detailed background and review of the issues and implications.

9.1.3. The works and resultant mitigations have a significant impact on ongoing operations and the management actions and planning has been considerable to ensure the health and safety, residents, staff, continuing services and financial impacts are minimised to best effect.

9.1.4. The additional costs are being separately monitored outside the normal directorate monitoring and the council has reserved the right to reclaim costs incurred throughout correspondence with Willmott Dixon. More detailed monitoring will be provided as costs and commitments arise (from October) onwards at the next committee.

9.2. Children's Consultations We have consulted on staff absence scheme and 3 responses received wishing the scheme to continue and given the level of response the council is advising schools forum that the scheme will be ended end of March 2020. There is a viable well established external market available to schools. We have also consulted schools and Schools Forum on the Scheme for Financing Schools.

9.2.1. Following the September 2019 DfE announcement, we await details of the additional £700m High Needs funding that will be available nationally for 2020/21. As the High Needs block is formula based, we do not know how this will be distributed, but the DfE has stated that the funding floor will be set at 8%, so each local authority can plan for an increase. This may result in an increase in the base for Barnet of over £3m (compared to £964k in 2019-20). However the Schools Forum received a report in July forecasting a need for £47.4m for High Needs against 2019-20 base DSG funding of £44.1m, indicating a need for an extra £3.3m to fund projected increases in demand for specialist places.

9.3. Medium and Long Term Financial Planning

9.3.1. A more detailed review of the current situation and process is provided in Business Planning 2020-25 and Budget Management 2019/20 Report presented to the P&R Committee on 3rd October. Key highlights only are provided below.

9.3.2. The Government released a one-year spending round on the 4 September 2019. For Local Government, the main headlines announced were that central funding for Local Government will increase by £1.1 billion and increase through 2021/2.

9.3.3. For Barnet, the council expects the benefit to be in the region of £15.8m over and above the assumptions previously made in the MTFS. Set against this are pressures of £22.1m arising principally from increasing care needs.

9.3.4. Additionally, a consultation on the reintroduction of a Social Care Precept was announced - allowing local authorities to raise up to 2% (£3.6m) specifically to fund pressures within Adult Social Care. It is unclear if this proposal is for than one year and therefore has been assumed for 2020/21 only within the MTFS.

9.3.5. While officers continue to work on remedial actions for prudency at present, £2.8m has been assumed in 2020/21 as a gap resulting from non-delivery of savings during 2019/20 and 2020/21

9.3.6 Through a thorough review of budget pressures, officers have identified the requirement to invest £16m in 2020/21 as detailed in para 1.3.9. £5.255m had already been factored in the previous iteration of the MTFS resulting in an increased requirement of £10.375m. Officers are continuing to review these and any subsequent reduction, would reduce the gap for 2020/21 and future years.

9.3.7 The results on savings and pressures work will be presented to Theme Committees running through November

9.3.8 There were also in the main P&R paper some specific updates on specific service issues in more detail

9.3.9 A paper on Brexit was separately considered and a link is provided under Background Papers section below to this paper.

10. Reasons for Recommendations

10.1 The report provides an overview of the council's financial performance to Period 5 of the 2019/20 financial year as forecasted at Period 5 ending 31st August 2019. The report also provides a commentary on the strategic financial issues facing the council during the period.

11. Alternative options considered and not recommended

11.1. None.

12. Post decision implementation

12.1 As per Committee's instructions.

13. Implications of decision

13.1Corporate Priorities and Performance

13.1.1 This supports the council's corporate priorities as expressed through the Corporate Plan for 2019-24 which sets out our vision and strategy for the next 5 years. This includes the **outcomes** we want to achieve for the borough, the **priorities** we will focus limited resources on, and our **approach** for how we will deliver this.

13.1.2 Our three outcomes for the borough focus on place, people and communities:

- a pleasant, well maintained borough that we protect and invest in
- our residents live happy, healthy, independent lives with the most vulnerable protected
- safe and strong communities where people get along well

13.1.3 The approach for delivering on this is underpinned by four strands; ensuring residents get a fair deal, maximising on opportunities, sharing responsibilities with the community and partners, and working effectively and efficiently

13.1 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

13.1.3 This report considers the financial position of the Council.

13.2 Social Value

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

13.3 Legal and Constitutional References

13.4.1 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.

13.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority's financial position is set out in sub-section 28(4) of the Act.

13.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
  - Analysis of performance
  - Contract variations
  - Undertaking deep dives to review specific issues
  - Monitoring the trading position and financial stability of external providers
  - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers

- At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

13.4.4 The council's Financial Regulations can be found at:
https://barnet.moderngov.co.uk/documents/s49777/17FinancialRegulations.doc.pdf

13.4.5 Section 2.4.3 states that amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to and including £250,000 must be approved by the Chief Finance 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 approved bottom line are approved by the Service Director
Virements between services (excluding contingency allocations) up to and including a value of £50,000 must be approved by the relevant Chief Officers
Virements between services (excluding contingency allocations) over £50,000 and up to and including £250,000 must be approved by the relevant 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.

13.5 Risk Management

13.5.1 Various projects within the council's revenue budget and capital programme are supported by time-limited grants. Where there are delays to the implementation of these projects, there is the risk that the associated grants will be lost. If this occurs either the projects will be aborted or a decision to divert resources from other council priorities will be required.

13.5.2 The revised forecast level of balances needs to be considered in light of the financial performance reported.

13.6 Equalities and Diversity

13.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

13.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation.

13.6.3 In order to assist in meeting the duty the council will:

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

This is also what we expect of our partners.

13.6.4 This is set out in the council's Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.

13.6.5 Progress against the performance measures we use is published on our website at: https://barnet.moderngov.co.uk/documents/s52957/Appendix%204%20-%20Equalities%20Diversity%20and%20Inclusion%20Action%20Plan%20201920.pdf

13.7 Corporate Parenting

13.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

13.8 Consultation and Engagement

13.8.1 None in the context of this report

14. Insight

14.9.1 None in the context of this report

15. Background Papers

Meeting	Description	Link
Financial Performance and Contracts Committee Thursday 3rd October 2019 7pm	15. Oakleigh Depot Remedial Works and 19. Exempt part	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=9851&Ver=4
Financial Performance and Contracts Committee 19th June 2019 7pm	7 Chief Finance Officer report – Year End	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=9866&Ver=4
Policy and Resources	8 Business Planning	https://barnet.moderngov.co.uk/ieL

Committee Thursday 3rd October, 2019 7.00 pm	2020-25 and Budget management 2019/20	istDocuments.aspx?CId=692&MId=9851&Ver=4
Council 5th March 2019	11 Corporate Plan, Medium Term Financial Strategy 2019/24 and Budget for 2019/20	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=9456&Ver=4
Policy and Resources Committee Thursday 3rd October, 2019 7.00 pm Brexit paper to P&R 3rd Oct	7 Brexit Preparedness	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=9851