

	<p><b>Financial Performance and Contracts Committee</b></p> <p><b>17 March 2021</b></p>
<p><b>Title</b></p>	<p><b>Chief Financial Officer Report Forecast Financial Outturn at Month 10 (January 2021)</b></p>
<p><b>Report of</b></p>	<p>Director of Finance (Section 151 Officer)</p>
<p><b>Wards</b></p>	<p>All</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Urgent</b></p>	<p>No</p>
<p><b>Key</b></p>	<p>No</p>
<p><b>Enclosures</b></p>	<p>None.</p>
<p><b>Officer Contact Details</b></p>	<p>Ben Jay, Assistant Director of Finance <a href="mailto:ben.jay@barnet.gov.uk">ben.jay@barnet.gov.uk</a></p>
<p><b>Summary</b></p>	
<p>This report contains a summary of the Council's revenue and capital forecast outturn for the financial year 2020/21 as at Month 10 (31 January 2021). It also contains information on the level of debt and the top 10 debtors as at 31 January 2021.</p>	
<p><b>Recommendations</b></p>	
<p><b>That the Committee</b></p> <ol style="list-style-type: none"> <li><b>1. Notes the current financial forecast outturn for 2020/21 and the level of uncertainty within that forecast;</b></li> <li><b>2. Notes the cost of the pandemic and the operational response to it;</b></li> <li><b>3. Notes the current view on use of reserves, and the outlook;</b></li> <li><b>4. Notes the current debt position and related action.</b></li> </ol>	

## 1. Summary

- 1.1 This report sets out the Council's forecast outturn position for the 2020/21 financial year as at Month 10 (31<sup>st</sup> January 2021) and the current estimate of the financial impact of the Covid 19 pandemic during 2020/21.
- 1.2 Overall, this has been a year marked by unusual uncertainty arising from the pandemic and the developing response to it. This has had a significant impact on the delivery of council services – increasing the costs directly associated with the local pandemic response (costs which have been substantially funded by government grants), as well as reducing some costs in the 'normal' activities of the council.
- 1.3 The response to the pandemic is expected to continue to have a financial and operational impact well into the new financial year. Many of the costs of recovery, especially addressing the wider community impacts, will shape council activity for some time to come. Financially, it is clear that the council will end the year well placed to address the challenges of the future, although much will depend on the nature of those longer-term impacts and the extent to which future resource allocations help the council to address them.
- 1.4 This report sets out the budget forecast for the main operations of the council as follows:
  - £309.535m – agreed budget for the year;
  - £351.187m - current forecast for net expenditure against budget. This includes the impact of the pandemic including loss of income from such areas as parking, commercial waste, leisure, etc, but does not include the £1.2m impact on the collection fund as this is now to be spread over the next three financial years.
  - £41.652m - forecast variance, entirely due to the impact of the Covid-19 pandemic which has been substantially covered by government funding.
  - The forecast outturn position leads to an estimated £7.006m contribution to usable non-covid-19 reserves.
- 1.5 Key drivers of the overall position discussed include
  - Adults –increased activity funded via NHS hospital discharge funding scheme.
  - Growth and corporate services – underspending due to GF housing underspend due to focus on pandemic response work (TA and homelessness) and reduced demand for housing changes in-year. Also CSG planned activity costs lower than anticipated to due pensions administration costs transfer to West Yorkshire fund and review of IT costs.
  - Resources – includes contribution to reserves based on overall corporate forecast and service-specific position, which is an underspend largely due to costs of capital finance being lower than expected (some programme delays and some additional accrued interest income).
- 1.6 This contribution to reserves has arisen due to the overall impact of the pandemic response on budgets. This funding will be ear-marked at year end to clear priorities, including: providing risk-cover for adults in next year against possible rapid increases in demand; provision for possible unbudgeted costs from sector suppliers (including YCB); wider community impacts of the pandemic which are anticipated to materialise across the year (including domestic violence impacts, mental health impacts, and employment support), and loss of income arising from continued reductions in parking income.
- 1.7 Other contributions to reserves reflect Covid-19 funding received in the current year and planned to be spent next year as part of the ongoing response (£7.447m) and business rates support funding also to be used of £22.467m.

## 2. Month 10 forecast outturn position

2.1 The overview as at month 10 is as follows:

- £41.652m estimated financial impact from the pandemic (in operational budgets).
- Within this forecast, savings delivery is estimated as £10.520m (60.8% of the MTFs target). Savings at risk are forecast to be £6.791m, although in this year some of this is mitigated through C19 grants from the government, however, the impact of the lost savings will be carried forward into next year.

2.2 The overall position against the budget is shown in further detail in Table 1 below.

Table 1 Forecast Revenue Outturn at Month 10

Service Areas	2020/21 Budget	Reserves (applied)/ contributed	Month 10 Forecast Outturn after reserves	Month 10 variation to revised budget after reserves use	of which: COVID Impact	Non-COVID	Month 9 non-COVID variance	In-Month change
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	102,418	(399)	108,861	6,443	10,509	(4,066)	(3,525)	(542)
Children's Family Services	69,677	(639)	74,119	4,442	3,857	585	708	(122)
Environment	9,763	(520)	24,250	14,487	15,368	(881)	(877)	(4)
Growth and Corporate services	43,897	867	50,411	6,514	7,596	(1,082)	(30)	(1,052)
Assurance	8,158	86	9,408	1,250	1,324	(74)	(143)	69
Resources	57,702	6,956	64,914	7,212	1,755	5,457	(2,153)	7,610
Public Health	17,921	655	19,225	1,304	1,243	61	62	(0)
<b>Total at Month 10</b>	<b>309,535</b>	<b>7,006</b>	<b>351,187</b>	<b>41,652</b>	<b>41,652</b>	<b>0</b>	<b>(5,958)</b>	<b>5,958</b>

2.3 Table 2 provides a breakdown of the in-month movement between the Month 9 and Month 10 underlying budget position.

Table 2 Movement in variance Month 9 to Month 10

Service Areas	Movement Adverse / (Favourable)	Commentary
	£'000	
Adults and Health	(542)	£0.156m reduction in forecast spend on Agency staff, after contracts review. £0.386m reduction in Placements budget forecast after review of information not yet processed onto core systems (brokerage worksteps).
Children's Family Services	(122)	£0.165m increase in the UASC forecast based on revised information. Work is ongoing to further improve data flows and forecasting in this area. £0.296m increase in BAU costs predominantly in placements due to both new assessments and also to extension to existing placements at higher cost than previously forecast. £0.270m of the missed saving (attributable to COVID). £0.125m staff recruitment previously been forecast for the parenting service but now deferred the new financial year. £0.118m release of 2019/20 accruals in 18-25 services, now identified as not required.
Environment	(4)	Favourable movement due to forecast adjustments within the Street Lighting budget due to ongoing poor performance issues, offset by additional £0.300m insurance premium costs arising from Mill Corner.
Growth and Corporate services	(1,052)	£0.473m reduction in forecast for CSG managed budget due to decreased Depot related costs, war memorial costs and reduced cleaning and service charge costs in both Colindale library and the independent living centre.

		£0.281m reduction in forecast for Housing General Fund due to improved income data. £0.172m reduction in forecast for CSG Management Fee due to a decrease in variable storage IT costs combined with a change in accounting treatment for IT recharge income
Assurance	69	
Resources	7,610	£0.670m increase in contingency forecast due to Laptop for schools (2500 packages) and BELS Allowable Assumptions £0.330m overspend in Revs and Bens due to lost gainshare on court cost and reduction in court costs raised. £6.056m contribution to reserves, representing the BAU underspend (This is shown as an adverse movement to budget, despite being a benefit to the council overall).
Public Health	(0)	
<b>Total</b>	<b>5,958</b>	

### 3. Covid-19 Pandemic; financial impact

3.1 The total cost to the Council of the local response to the Covid-19 pandemic has been estimated. As new information becomes available those estimates are being revised each month. A summary of costs incurred, and funding received is set out in the tables below. To fully compare costs as shown in table 1 with the additional funding provided, some presentational adjustments are needed – principally to ‘gross up’ items shown in table 1 as net values (e.g. an estimated £9.933m of hospital discharge funding due from NCL CCG, assumed as income for the adults service in table 1, but grossed up for table 3). This enables appropriate comparison of additional pandemic-related expenditure and income.

3.2 In summary, the current year financial impact on the council arising from the pandemic is:

- estimated additional costs incurred of £81.499m (table 3);
- additional funding announced of £81.480m;

3.3 Further details on the spending of the grants is outlined in table 3. Work is in hand to ensure that all planned spending is fully aligned to the terms of the various grants.

Table 3 Summary of C19 funding application and estimated spending in 2020/21 and 2021/22

Grant	Dept	Total Amount Received 2020/21 £000	Estimated Spend 2020/21 £000	Estimated Spend 2021/22 £000	total committed against current funding £000	Commentary
Estimated reimbursement of losses from Sales, Fees and Charges (75% of 95%)	ALL	11,091	11,091	0	11,091	The main factors here are loss of parking income, commercial waste income, court costs, registrar lost income and loss of income from contracts
NHS hospital discharge funding (via NCL CCG)	Adults	9,933	9,933	0	9,933	To help cover the cost of hospital admission avoidance, post-discharge recovery and support services, rehabilitation and reablement care
Estimated Contain Outbreak Management Fund	ALL	9,105	9,205	0	9,205	Led by Public Health, there are many areas of spend here including funding provided to schools, enforcement, support for those self isolating, targeted support at specific cohorts, rough sleeper additional support and utilisation of local sector to help contain the outbreak. Within the Forecast Spend, £5.4m is anticipated to be transferred to an earmarked reserve to support interventions in mental health support, domestic violence

Grant	Dept	Total Amount Received 2020/21 £000	Estimated Spend 2020/21 £000	Estimated Spend 2021/22 £000	total committed against current funding £000	Commentary
						support, and economic support to the community next financial year.
Infection control	Adults	7,202	7,202	0	7,202	Supporting adult social care providers to reduce the rate of transmission in and between care homes and to support the wider workforce to deliver infection control
Hardship Fund	Resources	4,133	4,133	0	4,133	All council tax support residents have had their accounts credited with £150. The remaining funds have been used in line with the crisis fund or discretionary council tax hardship fund as required
SR20 collection fund losses reimbursement	Resources	3,575	3,575	0	3,575	This represents the 75% loss of council tax funding as a result of the pandemic
Test & Trace Allocation	Public Health	1,599	740	859	1,599	Predominantly spent on staffing, contract tracing, communication and asymptomatic lateral flow testing Within the forecast spend, £859k is forecast to be carried forward as a ring-fenced reserve to be spent on these activities as the continue into 2021/22.
Temporary Accommodation	Growth and Corp	1,040	1,040	1,000	2,040	Provision of temporary accommodation to reduce homelessness
Other funding less than £1m	ALL	4,445	4,341	104	4,445	other grants below £1m
Non-ringfenced funding (Grant Tranches 1-4)	ALL	29,356	22,792	5,484	28,276	To offset COVID 19 related costs and income losses as reported in monthly returns to MHCLG. Including but not limited to income losses not covered by the 75% reimbursement, supplier relief, increased demand on social care, staffing costs, cleaning costs and increased contract costs
<b>Total General Fund</b>		<b>81,480</b>	<b>74,052</b>	<b>7,447</b>	<b>81,499</b>	

### 3.4 It should be noted that the table 3 excludes two further items:

- HRA cost pressures estimated at £1.547m. These are anticipated to be charged to the HRA reserve, although councils continue to lobby government to ask that HRA costs are supported in a way similar to cost pressures in the general fund and collection fund.
- Parking income bad debt at £1m. This value is reported to MHCLG as part of the overall pressure. It is an early estimate that was required to be made for MHCLG reporting. Bad debt provisions already exist, and it is not yet clear whether these will need to be increased or not.

### 3.5 Support continues to be provided to local people and businesses. Current totals are below:

- Business Grants
  - Since the outbreak of Covid-19 LBB have been asked to deliver 13 separate business grant schemes.
  - To date we have paid out over £75m across these schemes.
    - Small Business and Retail, Hospitality and Leisure Grants = £63.3m
    - March 2020 to September 2020 Discretionary Grant = £3.3m
    - Local Covid Alert Level Grants = £8.7m
- Test and Trace Support Payments
  - Since the introduction of Local Covid Alert Levels in October 2020, 2,972 requests have been received with a 55% rejection rate.
  - To date £532k has been paid out to 1,065 Barnet residents who have been forced to self-isolate.

- Utilising funding from the Contain Outbreak Management Fund an enhanced scheme is being setup to assist: those who fall outside the government scheme and earn below Barnet Living Wage and those who are impacted by their dependant children being instructed to self-isolate by their school.
- Council Tax
  - £3.3m in hardship payments has been distributed to over 22k of our poorest council tax payers to reduce their tax liability.
  - Alternative payment plans have been agreed with over 5k of our tax base to help alleviate the financial impact of Covid.
- Emergency financial support for residents
  - This is in the form of Discretionary Housing Payments, Discretionary Council Tax Discounts and Crisis Fund all of which has increased significantly against last year
    - DHP 37% increase against last year
    - Discretionary Council Tax Discounts 160% increase against last year
    - Crisis Fund 49% increase against last year

3.6 At the beginning of the COVID-19 pandemic, the Council instituted support to suppliers and strategic partners through three main mechanisms, the first two were local initiatives (subsequently confirmed through PPN01/20 and PPN03/20) with the latter informed:

- Relaxation of payment terms for Accounts Payable from 10 days post-certification to immediate payment post-certification. The Council has maintained this support throughout the pandemic and will do so until at least 31 March 2021.
- Opened up the eligibility criteria for Procurement Card expenditure to enable faster payments to suppliers where it was reasonable to do so. The Council maintained this support until August 2020.
- Provided Supplier Relief – financial and performance – to contractors able to evidence cashflow difficulties on an open book basis under Procurement Policy Notice (PPN) 02/20 to 30 June 2020 and PPN 04/20 until 31 October 2020. Additional support in a similar vein to Supplier Relief has been provided for where agreed with the Director of Resources (S151).

3.7 The table below shows the agreed financial Supplier Reliefs by CMT Service Area, Suppliers to 31 October 2020.

Table 4 COVID-19 Supplier Relief agreed as at Month 10

Service Areas	Supplier	Relief Provided £'000	Commentary
Growth and Corporate Services	Re	2,249	There exists an income loss totalling £3.949m for contract year 7, of which £1.7m has been capped as Re's liability through the GI shortfall mechanism agreed in accordance with PPN02 and confirmed by letter of variation dated 19th June. The remaining £2.249m is therefore LBB's pressure and expected to be claimed through the supplier relief mechanism.
Environment	NSL Marston	1,092	Payments on account using previous 3 months' data prior to repurposing as COVID-19 enforcement. 1) Deployment. This is normally paid at a unit hourly rate. The payment based on the average was £275,319.91 per month. 2) Notice Processing This is normally paid at a unit rate per penalty. The payment based on the average was £85,300.36 per month. 3) Abandoned vehicles service

Service Areas	Supplier	Relief Provided	Commentary
			This is usually paid based on abandoned vehicle inspections. The payment based on the average was £3,869.39 per month.
Adults and Communities	GLL	866	Loss of income and cashflow support (Q1 = 720k and July = 146k)
Children's Family Services	ISS	835	Loss on school meals income
Children's Family Services	Cambridge Education	593	Loss on traded income
Growth and Corporate Services	Capita CSG	286	Capped Schools Traded Income losses. Deficit of £743k, CSG guarantee £457k. Balance of £286k.
Children's Family Services	Manuella Care	5	Loss of Homecare provision - committed hours payment
Growth and Corporate Services	Norse Group	2	Payments of committed hours during March-June lockdown 2020
<b>Total</b>		<b>5,928</b>	

3.8 KPI relaxations were agreed under PPN02/20 and PPN04/20 with Capita CSG and Re. There are further conversations with strategic partners regarding ongoing support following the placing of London into Tier 3, Tier 4 and National Restrictions. This support sits outside the PPN process issued by HM Government and relates to maintenance of services for residents, post-restrictions.

3.9 This represents the amounts provided through the supply chain under PPN02/20 and PPN04/20 and is a part of wider support to businesses as outlined earlier in this report through both business rates relief and grants and additional work from services.

#### 4. Reserves

4.1 The table below shows the forecast drawdowns or top-ups to reserves at Month 10.

Table 5 Forecast (drawdown) or /top-up of reserves at Month 10

Service Areas	Reserve Movements M9	Reserve Movements M10	Movement Adverse / (Favourable)	commentary
			£'000	
Adults and Safeguarding	(399)	(399)	0	Staffing to support transformation agenda.
Children's Family Services	(648)	(639)	(9)	Not material- minor changes made in line with reserve bids submitted
Environment	(520)	(520)	(0)	Forecast spend on tree programme in year
Growth and Corporate services	(240)	867	(1,106)	Now topping up the Brent Cross Retail Park reserve by £0.604m, topping up the strategic contract review reserve by an additional £0.050m, and now topping up the General Fund housing fund reserve by £0.205m whereby this was forecast to be drawn down by £0.250m previously (£0.455m change)
Assurance	92	86	6	Use of CAFT reserve to fund part of a post in Internal Audit
Resources	900	6,956	(6,056)	Includes a contribution to reserves of £6.056m which is the overall BAU general fund underspend as at month 10.
Public Health	453	655	(202)	Review of demand led contracts resulting in a reduced estimated spend position. Underspend used to top up the ring-fenced reserve.
<b>Total</b>	<b>(362)</b>	<b>7,006</b>	<b>(7,368)</b>	

4.2 The forecast reserves balances at year-end is shown in the table below which covers the reserves brought into the year.

Table 6a Forecast Reserves Balances at Month 10

Forecast Reserve Balances	Balance Brought Forward £000s	In-year use of reserves £000s	Increases to Reserves £000s	net change £000s	Resulting balance £000s
Revenue Reserves - non-earmarked	39,813	(1,312)	0	(1,312)	38,501
Revenue Reserves - earmarked (non-Covid-19)	9,249	655	7,663	8,317	17,567
<b>Total Revenue Reserves (non-Covid-19)</b>	<b>49,062</b>	<b>(657)</b>	<b>7,663</b>	<b>7,006</b>	<b>56,068</b>
Revenue Grant - unapplied (Covid-19, general fund)	8,772	(8,772)	7,447	(1,402)	7,370
Revenue Grant - unapplied (Covid-19, collection fund)	0	0	22,467	22,467	22,467
<b>Total Revenue Reserves &amp; Grant Unapplied</b>	<b>57,834</b>	<b>(9,429)</b>	<b>37,577</b>	<b>28,071</b>	<b>85,905</b>
Capital Reserves	9,858	0	0	0	9,858
<b>Total All</b>	<b>67,692</b>	<b>(9,429)</b>	<b>37,577</b>	<b>28,071</b>	<b>95,840</b>

Table 6b Forecast Reserves Movements at Month 10

Reserve Movements	Balance Brought Forward £000s	net change £000s	Resulting balance £000s
<b>Revenue Reserves (non-Covid-19)</b>	<b>49,062</b>	<b>7,006</b>	<b>56,068</b>
Revenue Grant - unapplied (Covid-19, general fund)	8,772	(1,402)	7,370
Revenue Grant - unapplied (Covid-19, collection fund)	0	22,467	22,467
<b>Total Covid 19 Grant Unapplied</b>	<b>8,772</b>	<b>21,065</b>	<b>29,837</b>
<b>Total Revenue Reserves &amp; Grant Unapplied</b>	<b>57,834</b>	<b>28,071</b>	<b>85,905</b>

4.3 Tables 6a and 6b show a forecast increase to reserves of £28.148m, from £67.692m to £95.840m. This increase includes

- Non-Covid-19 reserves – net contribution of £7.006m, largely due to underspending on non-Covid-19 budgets (discussed above, value of £6.056m), of which £2m is earmarked to potential demand for adults services above budget in next year and £1.2m is earmarked to potential costs of YCB in next year, with the balance being set aside to support the long-term response to the wider community impact of the pandemic).
- Revenue Grant Unapplied (Covid-19, general fund) – net use of £1.402m
  - In-year use of Covid-19 grant unapplied of £8.772m (shown in table 3b) and
  - Anticipated carry-forward of new covid-19 grants received but unapplied within the year of £7.370m (as identified in table 3c and including amounts for COMF, test and trace, high-street reopening, and general unringfenced funding).
- Revenue Grant Unapplied (Covid-19, collection fund) – contribution of £22.467m
  - This represents the LBB share of the full grant afforded by government to support lost business rates due to the pandemic. The amount is fully ringfenced to business rates relief and replaced funding the council would otherwise lose. The technical requirement of the collection fund means that this is received in 2020/21 but will be deployed in later years. (A further amount of this grant, relating to the business rates receipts payable to the GLA, will be shown as a creditor at year end.)

## 5. Savings

- 5.1 The 2020/21 budget planned for the council to deliver £17.311m of savings. Table 7 below summarises the value of savings that are expected to be achieved against that savings programme. These amounts are included in the forecast shown in table 1 (as either C19 cost impacts or as BAU costs, as appropriate). Of the £6.8m unachieved, £4.2m is anticipated to be achieved in the next financial year. The balance of £2.6m relates to increased parking income which is no longer achievable, and has been removed in the budget for 2021/22.

Table 7 Forecast Savings Delivery 2020/21

Service Area	Savings target 2020/21 £'000	Savings On Track as at 31/12/2020 £'000	(Gap)/Over to plan £'000	Service area gap %
Adults & Safeguarding	(5,317)	(2,997)	(2,320)	43.63%
Children and Family Services	(2,719)	(2,219)	(500)	18.39%
Environment	(4,150)	(1,450)	(2,700)	65.06%
Growth and Corporate Services	(3,874)	(2,683)	(1,191)	30.74%
Assurance	(247)	(247)	0	0.00%
Resources	(580)	(500)	(80)	13.79%
Public Health	(424)	(424)	0	0.00%
<b>Total</b>	<b>(17,311)</b>	<b>(10,520)</b>	<b>(6,791)</b>	
<b>Percentages</b>	<b>100.00%</b>	<b>60.77%</b>	<b>39.23%</b>	

## 6. Ringfenced funding

### Housing Revenue Account

- 6.1 The HRA budget was set following the approval of the HRA business plan in January 2020. The budget for 2020/21 was a deficit budget of £2.540m.

- A number of changes have been made to the way the HRA tables are presented as at P10, along with two accounting policy changes relating to Depreciation and RCCO (revenue contribution to capital outlay).
- It is deemed useful for presentation purposes, to split these capital adjustments out in order to objectively monitor the “controllable” change in budget variance month-on-month against the agreed HRA budget.

Table 8 HRA Forecast Outturn Month 10

2019/20 Outturn	Service Areas	Revised Budget	Forecast Outturn	Budget Variance	Change in Budget Variance
(49,799)	Dwelling Rent	(50,405)	(49,547)	858	250
(1,057)	Non-Dwelling Rent	(1,093)	(825)	268	(10)
(7,065)	Service & Other Charges	(7,414)	(6,742)	672	48
(366)	Other Income	-	(827)	(827)	(27)
18,824	Housing Management	19,024	18,724	(300)	-
642	Other Costs	1,500	1,803	303	5
3,704	Internal recharges	3,048	3,362	314	12
7,562	Repairs & Maintenance - Mgt Fee	6,941	7,704	763	-
1,232	Repairs & Maintenance - Non Core	20	(287)	(307)	(301)
333	Provision for Bad Debt	258	748	490	-

412	Regeneration	837	773	(64)	39
7,429	Debt Management Expenses	8,253	7,570	(683)	-
(3)	Interest on Balances	(80)	(80)	-	-
<b>(18,152)</b>	<b>HRA Controllable (Surplus)/Deficit</b>	<b>(19,111)</b>	<b>(17,624)</b>	<b>1,487</b>	<b>16</b>
23,045	Depreciation	21,651	12,421	(9,230)	(9,230)
-	RCCO	-	8,631	8,631	8,631
<b>23,045</b>	<b>HRA Capital Charges</b>	<b>21,651</b>	<b>21,052</b>	<b>(599)</b>	<b>(599)</b>
<b>4,893</b>	<b>HRA (Surplus)/Deficit</b>	<b>2,540</b>	<b>3,428</b>	<b>888</b>	<b>(583)</b>

- 6.2 At month 10, the forecast deficit is £3.428m, which is an overspend £0.888m compared to the agreed 2020/21 budget. This will be funded by a draw down from the HRA reserve, at the same value, as shown in Table 9.
- 6.3 This £3.428m deficit, or draw on the HRA reserve, is made up of £17.624m controllable revenue contributions and £21.052m capital charges, these are reflected in both tables 8 and 9.
- 6.4 Depreciation has been reduced to £12.421m, a £9.230m reduction from the prior accounting policy, bringing the calculation into line with best practice. In order to prevent an unbudgeted adverse impact on the Major Repairs Reserve it has been agreed to make a contribution to capital funding from revenue resources (in line with technical requirements). Therefore, a RCCO (revenue contribution to capital outlay) has been forecast at £8.631m, which effectively offsets the reduction in depreciation and enables the closing reserve balance to be carried forward at £4m with no adverse impact on in-year capital programme.
- 6.5 The net effect of these changes is an overall reduction in the HRA in-year surplus of £0.593m compared to month 9 figures. The controllable surplus has moved due to a number of offsetting factors but the net result is just £0.016m.
- 6.6 The total forecast Covid 19 costs (£1.547m) to be reported to MHCLG in February 2021 is made up of an increase in bad debt provision, lost commercial income, Mears contract extension following the delayed TUPE of 43 dedicated repairs staff and increased operational costs as a direct result of the pandemic.

Table 9 HRA Reserves

Service Area	B/Fwd	Forecast Revenue Movement	Forecast Depreciation, RCCO, and financing	C/Fwd
	£'000	£'000	£'000	£'000
HRA Reserve	(7,428)	(17,624)	21,052	(4,000)
Major Repairs Reserve	(11,460)		599	(10,861)
<b>HRA Reserves</b>	<b>(18,888)</b>	<b>(17,624)</b>	<b>21,651</b>	<b>(14,861)</b>

- 6.7 Whilst this report is focused primarily on the current year's financial position, the HRA's 30 year business plan is being revised and is expected to lead to substantial reductions to or reprofiling of to future year capital expenditure. This will help ensure the long term sustainability of the HRA. Additionally, the judgement relating to the treatment of water rate commission is being reviewed and the impact of this will be reported at outturn.

## Dedicated Schools Grant

- 6.8 The DSG budget will be updated each month as the DFE announce further updates to allocations.
- 6.9 For month 10, the forecast is showing an underspend of £1.043m which is an improvement of £0.035m from last month due. See table 10a below for the breakdown of this.

Table 10a Dedicated Schools Grant Month 10

	Budget	Month 10 Forecast Outturn after reserve movements	Month 10 variation to revised budget	Month 9 variance	In-Month change
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<b>Schools:</b>					
- Individual Schools Budget	142,824	142,754	(70)	(70)	0
- Growth Fund	2,545	360	(2,185)	(2,185)	0
- Central schools expenditure	1,087	1,087	0	0	0
- ESG retained funding	1,054	1,054	0	0	0
<b>Sub-total</b>	<b>147,510</b>	<b>145,255</b>	<b>(2,255)</b>	<b>(2,255)</b>	<b>0</b>
Early Years Block	29,877	29,410	(467)	(467)	0
High Needs Block	49,676	51,355	1,679	1,714	(35)
<b>Sub-total</b>	<b>79,553</b>	<b>80,765</b>	<b>1,212</b>	<b>1,247</b>	<b>(35)</b>
<b>Total</b>	<b>227,063</b>	<b>226,020</b>	<b>(1,043)</b>	<b>(1,008)</b>	<b>(35)</b>
<b>Income</b>					
DSG Income	(227,064)	(227,064)	0	0	0
<b>Total Income</b>	<b>(227,064)</b>	<b>(227,064)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net DSG</b>	<b>1</b>	<b>(1,044)</b>	<b>(1,043)</b>	<b>(1,008)</b>	<b>(35)</b>

- 6.10 The overspend on high needs is mainly the result of an increasing number of pupils with Education, Health and Care Plans and increasing costs being identified as pupils are placed. This accounts for overspend of £1.679m.
- 6.11 The DSG forecast underspend would lead to an increase in the reserve as can be seen in table 10b below.

Table 10b Dedicated Schools Grant Reserve Forecast

Reserves use	Brought forward	Forecast Movement	Forecast carry forward
	£000s	£000s	£000s
DSG reserve	1,808	1,043	2,851

- 6.12 In December, an independent review of the way we manage the DSG, commissioned by the Executive Director of Children's Services was concluded. This was a significant piece of work and confirmed that the way we operate continues to be appropriate and in line with all new regulations.
- 6.13 We are consulting with early years providers regarding a temporary change to the formula for maintained nursery schools (MNS) who aren't entitled to the lump sum payments primary

schools get despite having the same infrastructure in place. We are looking to get approval for this until the end of August where we hope the DFE are going to announce supplementary funding for our MNS.

- 6.14 There is an annual review of schools in financial difficulty, which is under way. Increasing numbers of schools are facing low balances and work is in now hand with more schools to set recovery plans which will enable them to set a balanced budget in the future. We have implemented a new process this month which can be seen on the website and are conducting deep dives in several of the highest risk schools.
- 6.15 The government have funded Covid 19 impacts to schools via 2 methods; 1) Direct application for funding and 2) catchup premium based on pupil numbers with no application required. The LA's role in this is simply to passport the money through to schools. To date a total of £1.066m has been passported through (£0.440m for direct applications and £0.626m for Covid 19 catchup premium). We are anticipating a second tranche of Covid 19 catchup funding in this financial year and a third tranche in next financial year (2021/22). There is also some funding distributed to schools from the contain outbreak management fund, of around £1.3m.

## Public Health Grant

- 6.16 The public health grant (£17.477m) is forecast to underspend by £0.655m (an increase in the underspend of £0.202m on month 9) as demand led services have seen lower demand than expected as a result of the pandemic. This is mainly relating to Sexual Health services. This underspend will be carried to the Public Health ring fenced reserve at year end. It is possible that the ending of lockdown restrictions may see increased sexual health presentations (where people have not sought help due to virus restrictions) or an increase in demand for other health services funded via the public health grant, and it is intended that the unspent money from this year will help fund such demand, when it arises, during next year.
- 6.17 There is some additional spending, due to Covid-19, which is offset by additional funding received. The Directorate have also received £1.599m for Test and Trace, however it is likely that spend by outturn is c.£0.740m. Any underspend is expected to be carried forward into 21/22 to meet future planned commitments.

Table 11a Public Health Grant forecast

Service Area	2020/21 Budget	2020/21 Forecast	Covid 19 impact	2020/21 Forecast excl C19	Variance
	£000	£000	£000	£000	£000
Public Health services (PH grant funded)	17,477	16,822	0	16,822	(655)
Additional C19 services		1,243	1,243	0	0
Health and safety, Intelligence and Insight Hub, EDI	444	505	0	505	61
Test and Trace	0	1,599	1,599	0	0
<b>Public Health Services</b>	<b>17,921</b>	<b>20,169</b>	<b>2,842</b>	<b>17,327</b>	<b>(594)</b>

- 6.18 The Public Health Grant Reserve is currently £1.843m, which includes a month 10 revised 'top-up' of £0.202m.

Table 11b Public Health Grant Reserve forecast

Reserves use	brought forward	budget use	forecast use	forecast carry forward
	£000	£000	£000	£000
Public Health reserve	1,188	655	0	1,843

## Special Parking Account (SPA)

6.19 Income received from parking charges is paid into a Special Parking Account (SPA) this is in order to comply with section 55 Road Traffic Regulations Act (RTRA) 1984. Any surplus is appropriated into the General Fund at year end. The act allows any surplus which is generated to be spent on specified traffic and highways management objectives. Table 12 below illustrates the forecast outturn position for the SPA and the estimated appropriation to the general fund.

Table 12 SPA Forecast Appropriation to General Fund

SPA Accounts	2020-21 Budget	Estimated 2020-21 Outturn		
	£000	£000	£000	£000
Income	Budgeted SPA Account	M10 Forecast Excluding Covid-19	M10 Funded Covid-19 losses	M10 Forecast Outturn
Penalty Charge Notices	(15,525)	(6,746)	(8,779)	(15,525)
Residents Permits	(3,020)	(2,858)	(162)	(3,020)
Pay & Display	(3,990)	(1,865)	(1,696)	(3,561)
CCTV Bus lanes	(370)	(799)		(799)
<b>Total Income</b>	<b>(22,905)</b>	<b>(12,268)</b>	<b>(10,637)</b>	<b>(22,905)</b>
<b>Expenditure</b>				
Operating Expenditure (running costs)	6,830	6,923	0	6,923
Net Operating Surplus	(16,075)	(5,345)	(10,637)	(15,982)
<b>Appropriation to General Fund</b>	<b>(16,075)</b>	<b>5,345</b>	<b>(10,637)</b>	<b>15,982</b>

## 7. Capital Programme

7.1 The capital forecast outturn for 2020/21 capital investment programme is £379.825m, of which £317.781m relates to the General Fund programme and £62.044m relates to the HRA capital programme.

Table 13 Forecast Capital Outturn

Service Area	2020/21 Budget	Additions/ (Deletions)	(Slippage)/ Accelerated Spend	2020/21 Forecast	Variance from Approved Budget	Recorded Expenditure to date
	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	6,109	(1)	(988)	5,121	(988)	3,095
Children's Family Services	14,347	0	(518)	13,829	(518)	9,406

Service Area	2020/21 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2020/21 Forecast £000	Variance from Approved Budget £000	Recorded Expenditure to date £000
Growth and Corporate services (1)	118,988	(125)	251	119,114	126	41,612
Environment	36,057	0	(1,984)	34,073	(1,984)	18,802
Brent Cross	140,861	0	(17,623)	123,238	(17,623)	82,928
Resources	1,419	0	0	1,419	0	381
<b>General Fund Programme Total</b>	<b>317,781</b>	<b>(126)</b>	<b>(20,862)</b>	<b>296,793</b>	<b>(20,988)</b>	<b>156,223</b>
HRA	62,044	0	(4,709)	57,335	(4,709)	43,666
<b>Grand Total</b>	<b>379,825</b>	<b>(126)</b>	<b>(25,570)</b>	<b>354,129</b>	<b>(25,696)</b>	<b>199,890</b>

Note: (1) this budget has been increased to reflect the purchase of the Brent Cross South Retail Park

7.2 The key issues and variances for each service area are summarised below. (NB Expenditure to date only reflects the payments recorded rather than the estimated costs incurred to date. Work is ongoing to ensure the accuracy of year end forecast position based on the current expenditure position.)

7.3 **Adults and Safeguarding** – The Adults and Safeguarding Capital budget for 2020-21, is currently forecasting to be £0.988m underspent as follows:

- The leisure centres project is nearing completion, the estimated underspend at month 10 has not changed from month 9 and will be continued to be closely monitored throughout the remaining part of the year.
- Mosaic IT spend is now reporting a £0.300m underspend. The full budget was expected to be spent this financial year on Better Gov delivering Phase 1 and Phase 2 as well as further third party spend to ensure Mosaic reimplementation is completed however Phase 2 will now likely be delivered in 2021-22 resulting in an estimated £0.300m underspend and movement from month 9. The underspend is proposed for slippage into next year financial year.
- Community Equipment spend is incurred in revenue initially, current levels indicate that relevant spend has reduced during this financial year. In December 2020 the BCF bulletin announced a 13.5% increase to the 2020-21 DFG grant which has now been reflected in an increase to the budget. However a reduction in activity compared to previous year particularly with restrictions around access in completing work due to COVID mean that it is now reported that some work will be delayed into 2021/22. With spend against the increase in grant coupled with a reduction in activity, this project is now reporting an underspend of £0.688m. The reported underspend is being proposed as slippage over the next three years of the programme.

7.4 **Children's and Family Service** – At Month 10, the overall position of the capital budget for the full year is an underspend of £0.518m. The main reasons for this underspend are listed below:

- £0.234m underspend on Modernisation Programme. This is mainly due to £0.300m being held for emergencies that has not been required this financial year offset by £0.066m acceleration on Hollickwood & Children's centre maintenance.
- £0.174m on the Grammar school project due to a delay in project commencement. This is not an LA managed scheme.
- £0.110m is due to various other slippages across various schemes.
- These slippages have no impact on the overall value of the individual capital programmes over the life of their schemes. It is just a phasing change.

7.5 **Growth and Corporate Services** – At Month 9, the Growth and Corporate Services capital programme is showing a £0.126m underspend forecast in 2020/21 against the agreed £118.988m revised budget for 2020/21. This is all planned to be slipped into future years of the capital programme. There have been a number of budget changes as a result of re-profiling budgets which went to P&R for approval in February. The table above shows £0.125m to be deleted from the capital scheme, however, work is ongoing that may see this reversed in the coming months.

***Housing:***

- £3m overspend in housing acquisitions open door (the project to on-let to acquire 500 temporary accommodation properties), this is due to budget slippage agreed at P&R based on a number of assumptions, which have since developed as the market has become more favourable for housing acquisitions.
- £2m underspend in the ODH loan for new-build properties, due to a general slowdown in the building programme. This may pick up again before the end of the financial year.

***Commercial and other buildings:***

- Further to the decision of the Urgency Committee (5 January 2021) the purchase of the Brent Cross South Retail Park is included in both budget and forecast spending in the value of £58.4m.
- Due to budget re-profiling approved by P&R in February, the in-year variances are minimal and largely offset one-another, however, the variances over £0.100m are presented as follows:
  - £0.169m overspend in Asset Management in 20/21, funded by accelerating the programme. A detailed analysis of actual costs was carried out on this project.
  - £0.415m underspend in Barnet House Exit works due to the profiling of expenditure and this spend is expected to be slipped into 2021/22, this scheme is likely to be largely complete by 31<sup>st</sup> March 2021.
  - £0.132m underspend in Colindale Office Accommodation, including The Way We Work (TW3) project due to spend profiling and this is expected to be slipped into 2021/22.
  - £0.155m underspend in Milesplit Cemetary costs in 20/21, due to updated budget profiling over two financial years.
  - £0.105m underspend in the Town Centre project in 20/21, and future years have also been re-profiled, including the Finchley Square project, after detailed expenditure analysis.

7.6 **Environment** – At Month 10 Environment is reporting £1.984m slippage, detailed breakdown below:

- Vehicles: £0.314m slippage due to delay in placing the order due to Covid-19 and extension to ULEZ to October 2021.
- Data Works Management system: £0.030m slippage due to the programme being delayed due to Covid-19.
- Old Court House - public toilets: £0.040m slipped to 2021-22 as programme delayed whilst planning permission is sought.
- Park Infrastructure West Hendon: £0.003m slippage a bid for additional funds has been successful and an initial £1.400m CIL funding for 2021-22 has been approved at CSB which will be used to begin the design phase.
- Park Infrastructure Barnet Playing Fields: £0.028m slippage, delays are likely as West Hendon Masterplan is prioritised following funding approval.
- Victoria Park Infrastructure: £0.200m slippage, park cafés are likely to be bought next year due to COVID-19 delays.
- Greenspaces Infrastructure Programme: £0.050m slippage due to increase in schemes likely to be started in current year due to COVID-19.
- Investment in Roads and Pavements (NRP): This programme is reporting a slippage of £0.965m. This is due to the slippage of number of footway and carriageway schemes due to

the termination of the term maintenance contract with the existing contractor and entering into a new one with Tarmac Kier from 1<sup>st</sup> April 2021.

- Colindale and Rushgrove parks: £0.354m slippage due to delays to start on site. Expected start in Q4 however possible COVID impact may result in delays.

**7.7 Brent Cross** – The current 2020/21 position for the overall scheme is c£17.6m under budget due to re-profiling of expenditure between Funding for Land Acquisitions, Thameslink Station and Critical Infrastructure. The overall programme until completion is currently shown on budget, albeit reports to Housing and Growth Committee and Finance Performance and Contracts Committee acknowledging the budget pressures facing the programme.

- Funding for Land Acquisitions is inclusive of the latest property cost estimates with a built in 5% contingency and is currently shown on budget for the scheme overall. The priority acquisitions properties forecast has been amended to reflect the emerging land acquisitions strategy. The impact of the timing has resulted in slipping £5.9m into 21/22 but where the opportunity arises any properties will be vested or purchased ahead of this timeframe. The council intends to confirm its priority acquisitions programme by end of April 2021 in relation to the land needed to deliver the scheme in line with the CPO Orders in place.
- Thameslink Station 2020/21 has reprofiled £2.7m from the current financial year into future years but the overall programme is currently forecasted to budget. The slippage of £2.7m primarily relates to land purchases which will not take place prior to the 31st March based on the latest information available.
- Critical Infrastructure 2020/21 is forecasting slippage of £9.3m into future years due to reprofiling of expenditure in the programme. The expenditure relates to Plot 53/54 £8.2m contractual payment linked to start on site, which has been delayed due to stopping up objections, £0.7m reprofile of the substation works undertaken by BXS JVLP and £0.4m within Southern Junctions due to a delay in the works start date and compensation agreements being agreed.
- BXS Land Acquisitions is forecasting a minor acceleration of £0.1m in 2020/21. To date the council has purchased three CPO Indemnity properties and a hardship case. The council has recovered the CPO Indemnity funds from our delivery partner and the hardship funds are due in transit soon. The acquisition costs are fully funded by BX JVLP therefore at year end the final adjustments for the current year's expenditure will be aligned with actual costs for completed properties.
- The overall BX programme is forecasting spending £123.2m this financial year, of this amount 4.3% (£5.3m) has been highlighted at risk of further slippage. The amount is broken down as £2m BXS third party acquisitions due to volatile property completions and £3m within the Thameslink programme based on the current profile expenditure to date versus the anticipated increased run rate.

**7.8 Resources** – The capital programme for Resources is forecast to spend to budget in 2020/21.

#### HRA Capital Investment

**7.9** The HRA has a capital expenditure budget of £62.044m in 2020/21, and the current forecast is for spend of £57.355m, which is a £4.709m underspend against the in-year budget. There are no additions or deletions currently expected.

**7.10** In year variances less than £1m are largely due to slight acceleration in miscellaneous repairs, the fire safety programme and in M&E gas,

- 7.11 Underspends in the HRA capital programme are largely attributable to four main schemes and are summarised as follows:
- 7.12 Regeneration stock additional investment is forecasting an in-year underspend of £2.167m, expected to be slipped into future years and is due to delays getting contractor on site for window/door/access control replacement.
- 7.13 Extra care pipeline Cheshire House is forecasting an in-year underspend of £2.054m, expected to be slipped into future years and is due to delays starting work on site, originally expected to sign agreement by February with onsite work by March.
- 7.14 HRA direct acquisition is forecasting an in-year underspend of £1.780m, expected to be slipped into future years and is due to slower conveyancing process due to Covid 19.
- 7.15 Major Works is forecasting an in-year underspend of £2.167m, expected to be slipped into future years due to Covid related delays during the year. This is offset by an expected acceleration in 2021/22 as more work is matched to the Green Homes Grant.

### Funding of the Capital Investment Programme

- 7.16 The composition of capital funding is detailed in the table below. The level of funding from Capital receipts, Revenue/ Major Repairs Allowance (MRA) and Community Infrastructure Levy (CIL) funding remain broadly the same as the previous period.

Table 14 Funding the Capital Programme 2020/21

Service Area	Grants/ Other contributions £000	S106 £000	Capital Receipts £000	Revenue £000	CIL £000	Borrowing £000	Total £000
Adults and Safeguarding	3,792	0	0	0	550	779	5,121
Children's Family Services	10,723	4	295	0	91	2,716	13,829
Growth and Corporate services	2,149	1,379	11,465	491	524	103,105	119,113
Environment	2,814	3,073	2,104	440	8,699	16,943	34,073
Brent Cross	121,978	0	0	0	0	1,260	123,238
Regional Enterprise (Re)	0	1,384	35	0	0	0	1,419
<b>General Fund Programme</b>	<b>141,456</b>	<b>5,840</b>	<b>13,899</b>	<b>931</b>	<b>9,864</b>	<b>124,803</b>	<b>296,793</b>
HRA	753	0	2,097	31,924	0	22,561	57,335
<b>Total Capital Programme</b>	<b>142,209</b>	<b>5,840</b>	<b>15,996</b>	<b>32,855</b>	<b>9,864</b>	<b>147,364</b>	<b>354,128</b>

- 7.17 PWLB borrowing rates decreased by 1% in M9 as result of the consultation on PWLB lending terms. Until M10 we have been able to manage borrowing using internal resources and had been able to delay taking any new external borrowing until the rates began to increase or we had a need to externalise debt.

7.18 As a result of the Bank of England forecast that the economy will begin to improve in 2021 the latest PWLB rate forecast points to rates of 1.8% throughout 2021 with gradual increases to 2% through to 2024. We will take a tranche of new borrowing in M11 at current rates of 1.8%. This will allow us to lock in borrowing costs at current rates.

## 8. Debtors

8.1 Between December 2020 and January 2021 overall debtors increased by £9.998m. An analysis of debtors as at the 31 January 2021 is provided below at Table 15 and 16. It should be noted that this information is a snapshot as at that date and the overall position varies.

8.2 Overdue debtors (up to 30 days and older) as at 31 January 2021 was £25.888m an increase of £6.312m for the same period in 2019 where the outstanding balance was £19.576m. This increase is primarily down to large invoices being raised for NHS North Central London CCG

Table 15 Aged Debt Analysis as at 31 January 2021

Debtor	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000	Total Debt £000
Month 10	6,723	3,236	6,069	914	15,669	32,611
Month 9	2,750	1,322	1,113	2,481	14,947	22,613
<b>Movement</b>	<b>3,973</b>	<b>1,914</b>	<b>4,956</b>	<b>(1,567)</b>	<b>722</b>	<b>9,998</b>

8.3 Table 16 gives detail of the top ten individual debts by debtor, totalling £22.517m.

Table 16 Top 10 debtors as at 31 January 2021

Debtor	Total Debt £000	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000
NHS North Central London CCG	16,574	5,929	687	4,488	532	4,938
The Fremantle Trust	1,357	0	0	0	0	1,357
NHS Barnet CCG	1,174	0	0	0	0	1,174
Comer Homes	993	0	0	0	0	993
<i>The Barnet Group</i>	<i>577</i>	<i>9</i>	<i>518</i>	<i>94</i>	<i>8</i>	<i>(52)</i>
Demetriou & English	503	0	500	0	1	2
Health Education England	488	0	0	488	0	0
Metropolitan Police Service	330	0	122	208	0	0
Middlesex University	303	0	304	(2)	0	1
Affinity Water	219	6	12	196	2	3
<b>Total</b>	<b>22,517</b>	<b>5,944</b>	<b>2,143</b>	<b>5,471</b>	<b>543</b>	<b>8,416</b>

8.4 Adult Services, along with support from Finance colleagues, are now in regular contact with Barnet/NCL CCG to discuss the outstanding debt position. There has been an upward movement in the debt position during month 10 principally due to two large invoices being recently raised which are going through the matching process with the CCG. Month 10 still reports a significant balance. Most recent updates from the CCG reported that £10.1m was awaiting immediate authorisation. The CCG have been pushed on a likely payment date for items currently awaiting manager authorisation.

8.5 There are further amounts due to be raised with the CCG which are not included in the table as the invoices have not yet been raised. These include £10.7m of adults services invoices (C19 discharge support costs, BCF costs, and s117 amounts) and also £2.4m of amounts expected to be paid to Children's services including amounts for CAMHS and for services for 18-25 year olds. Work is underway to ensure that these are presented at the earliest opportunity to ensure that the year end position is agreed and cash secured in a timely way.

- 8.6 Outside of the table above (which shows individual debtor accounts) is a significant class of debtors which relate to privately funded adults social care placements. At the time of preparing the report, this debt is recorded as being £7.203m. A dedicated project is in place to maximise recovery of this debt and to further improve its active management. Some of the debt is related to former client's property and collection depends on the conclusion of probate arrangements. The committee will receive further updates on this at future meetings.
- 8.7 Legal discussions with The Fremantle Trust are ongoing.
- 8.8 The Assistant Director of Estates continues discussion with HBPL regarding the Comer Homes debt.
- 8.9 The Barnet Group have paid £146k in month 11 and discussions are ongoing regarding the credit balance and outstanding debt. This is effectively an 'internal' debt.
- 8.10 Demetriou & English have not paid despite contact from the income team. This has been escalated to the service manager in Re.
- 8.11 The income team are in discussions with Health Education England regarding payment of the outstanding balance.
- 8.12 The income team are in discussions with Metropolitan Police and the service area to resolve Purchase Order issues. If not resolved in month 11 the matter will be escalated within the service area for resolution.
- 8.13 Payment in full is expected from Middlesex University is expected in month 11.
- 8.14 Affinity Water have paid £188k in month 11 and the remaining balance is being pursued.

## **9. REASONS FOR RECOMMENDATIONS**

- 9.1 This report contains a summary of the Council's revenue and capital outturn for the financial year 2020/21 as at Month 10 (31 January 2021).

## **10. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 10.1 None

## **11. POST DECISION IMPLEMENTATION**

- 11.1 None

## **12. IMPLICATIONS OF DECISION**

### **12.1 Corporate Priorities and Performance**

- 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 five 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.

- 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
- 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

#### **12.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- This report considers the financial position of the Council at the end of the financial year.

#### **12.3 Social Value**

- 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.

#### **12.4 Legal and Constitutional References**

- 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 to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.
- 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.
- 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.
- 
- The council's Financial Regulations can be found at:  
<https://barnet.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD349&ID=349&RPID=638294>

## 12.5 Risk Management

- Regular monitoring of financial performance is a key part of the overall risk management approach of the Council.

## 12.6 Equalities and Diversity

- Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that policy and Resources Committee has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:
- A public authority must, in the exercise of its functions, have due regard to the need to:

- **eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
- **(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
- **(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**
- Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - **remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
  - **(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - **(c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.**
- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - **Tackle prejudice, and**
  - **Promote understanding.**
- Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- **Age**
- **Disability**
- **Gender reassignment**
- **Pregnancy and maternity**
- **Race,**
- **Religion or belief**
- **Sex**
- **Sexual orientation**
- **Marriage and Civil partnership**
- 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.
- Progress against the performance measures we use is published on our website at: [www.barnet.gov.uk/info/200041/equality\\_and\\_diversity/224/equality\\_and\\_diversity](http://www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity)
- Measures undertaken as part of the Council's response to the Covid-19 pandemic have been undertaken in full awareness of the Council's commitment and responsibility to act in accordance with its own Equalities Policy and wider legislation. It is notable that the virus does appear to affect some parts of the community more than others, and the Council's actions have been informed by its commitment to mitigate impacts in all areas, and to appropriately protect or shield especially vulnerable individuals, in accordance with national guidelines.

#### **12.7 Corporate Parenting**

- 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.

#### **12.8 Consultation and Engagement**

- None in the context of this report

## 12.9 Insight

- None in the context of this report

## 13. BACKGROUND PAPERS

None.