



Policy and Resources Committee

16 June 2021

Title	Business Planning 2022-26
Report of	Chairman of the Policy and Resources Committee
Wards	All
Status	Public
Urgent	Yes
Key	Yes
Enclosures	Appendix A - Routine Financial Matters Appendix B - Capital Programme Appendix C - Housing Revenue Account Business Plan Appendix D - 2020/21 Quarter 4 Risk Register
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Summary

This report sets out the current challenges, proposed process, and timetable for the preparation of the budget for 2022/23 and the refresh of the Medium-Term Financial Strategy (MTFS) for 2022-26.

It also presents for approval a number of routine financial management matters, in line with financial regulations, including updates to the programme of capital investment, the update of the Housing Revenue Account business plan, budget amendments and debt management.

Officers Recommendations

That the Committee:

In respect of business planning for 2022-26:

- 1. Notes the revised Medium-Term Financial Strategy;**
- 2. Notes the 2020/21 revenue and capital outturn General Fund and Housing Revenue Account positions;**
- 3. Notes the delivery timetable for the 2022/23 budget setting process;**
- 4. Considers the proposed 'cash limit' approach to budget planning for 2022/23, also proposals to include greater use of data to inform budget planning, alignment to delivery of Barnet Plan, and planning for post pandemic activity levels;**
- 5. Notes the proposed approach to the financial strategy;**

In respect of routine financial matters for 2021/22:

- 6. Approves the revenue budget virements for 2021/22 presented**
- 7. Approves the writes-offs for Sundry Debt, Housing Revenue Account tenant arrears and General Fund tenant arrears;**
- 8. Approves the revised Capital Programme and financing of it;**
- 9. Approves the release of financing to TfL (set out in para 5.45 – proposed use of s106 funding to support a bus route extension);**
- 10. Notes the HRA Business Plan and refreshed 2021/22 budget (para 5.46 ff);**
- 11. Notes the Quarter 4 2020/21 Corporate Risk Register (para 5.56 ff).**

1. SUMMARY

1.1 As in previous years, this will be the first of several reports to Policy & Resources Committee on 2022/23 budget setting and the 2022-26 MTFS update. The next update to Committee will be in September 2021 with a set of initial budget proposals ahead of November Theme Committees.

1.2 While the main subject for this report is business planning for 2022/23 and the MTFS period to 2025/26, this report also presents some routine items for P&R committee approval in

line with financial regulations. These are set out at the end of the report and the appendices.

- 1.3 The MTFS approved at March 2021 Full Council set out a savings requirement of £48.911m between 2021/22 and 2024/25. The budget for 2021/22 is balanced, and the remaining savings to be found for 2022/23 to 2024/25 is £14.109m of which £8.579 is in 2022/23

Table 1: 2021-2025 MTFS Summary as at March 2021

2021-25 MTFS	2021/22	2022/23	2023/24	2024/25
Resources vs. Expenditure	£'000	£'000	£'000	£'000
Expenditure	343,293	351,892	370,952	391,432
Resources	(332,703)	(324,826)	(333,296)	(342,521)
Cumulative Savings Requirement	10,590	27,067	37,656	48,911
Savings Approved by Full Council (March 2021)	(10,590)	(18,488)	(27,334)	(34,802)
Cumulative Savings Gap	0	8,579	10,322	14,109

- 1.4 The pandemic has had a significant impact on the delivery of and cost of services. This has a knock on impact on the Medium-Term Financial Strategy. The MTFS set out in March 2021, which covered 2021-25, was prepared while the pandemic response was ongoing and the outlook remained uncertain. Many service delivery assumptions were rooted in the pre-pandemic period. At that point, the MTFS indicated a remaining savings requirement for 2022/23 of £8.6m, rising to £14.1m by 2024/25.
- 1.5 The outturn for the year just ended reported a £9.7m underspend to planned non-C19 spending, with £6.6m being added to service specific reserves against planned or prudent objectives. Overall, funding received was significantly different in many areas than what had been budgeted or forecasted, due to the impact of the pandemic, which points to budgets no longer being fully aligned with spending plans. However, it is not yet clear what the post-pandemic 'normal' for council operations will be – put another way, we do not yet know how much of the previous spending plans will hold good, and how many will need to be revised as new trends become clearer. A key priority for the council in the new financial year (2021/22) and through the budget planning process for 2022/23 and beyond will be to understand the post-pandemic operation of council services and the MFTS impact of that. This will allow a comprehensive review of budgets.
- 1.6 This comprehensive budget review should seek to address all areas, but, in practice, will need to prioritise key areas of spending or income, including such areas as social care placements (Adults c£70m and Children's c£30m) including relevant mental health and domestic violence support; also income streams such as those from business rates (c£60m) and car parking (c£20m). Additionally, the economic impact on businesses and local employment, together with changing resident expectations of services such as housing provision, leisure, and parks and open spaces will also require review.
- 1.7 To provide more time to undertake such broad review, it is intended to start the budget planning process earlier than normal. A process running to early September 2021 will track trends in data and activity to develop revised budget proposals. This will be followed by the usual, budget setting process from September 2021 to March 2022.
- 1.8 In line with this review of budgets, it is proposed to take a revised approach to the 2022/23 budget setting process. Rather than focusing on adding pressures and savings to a base budget, as in previous years, this changed approach will analyse demand changes

anticipated (in the post-pandemic world) and identify offsetting efficiencies to balance them from within the directorate. As such a nominal “cash limit” will be set for each directorate to work within based on the current year budget. Once directorate demand estimates, investment plans, and efficiency proposals have been prepared, there will be a review of all plans across the council to ensure consistency with the priorities in the Barnet Plan. This approach is intended to maximise the opportunity to scrutinise all budgets across each directorate and also reflects the uncertainty of funding from Government.

Table 2 - Current MTFS resource estimates

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
<u>Forecast Resources (Calculated year by year)</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Council Tax Income	(198.051)	(202.005)	(207.060)	(213.292)	(218.740)
Settlement Funding Assessment (incl. NDR, RSG, top up)	(64.749)	(64.749)	(64.749)	(64.749)	(64.749)
Other Grants (recurrent)	(54.305)	(52.051)	(47.051)	(42.051)	(39.051)
Total Recurrent Resources	(317.105)	(318.805)	(318.860)	(320.092)	(322.540)
Other Grants (non- recurrent)	(15.996)	0.000	0.000	0.000	0.000
<u>Total All Resources</u>	(333.101)	(318.805)	(318.860)	(320.092)	(322.540)

1.9 The future funding position for Local Government remains uncertain. The table above makes indicative estimates of what funding could look like over the MTFS period. The three main assumptions are:

- The flexibility to raise council tax by 1.99% will remain and will be used;
- New Homes Bonus (NHB) will continue to reduce;
- All other Government grants (including business rates top up grant) will remain the same.

1.10 The finance settlements for 2020/21 and 2021/22 have been announced as single year settlements with no estimates for future years. The current expectation is that by the end of Autumn 2021, a multi-year Spending Review will be announced which could give some indication of future funding for local authorities. So, alongside a comprehensive review of internal budgets, there may also be significant changes to external resources to consider as well.

2. NATIONAL AND LOCAL CONTEXT

2.1 HM Treasury announced the Budget Statement for 2021/22 on 03 March 2021. The March 2021 Budget announced an additional £65bn of spending to the economy to bring the total Covid-19 support package in 2020/21 and 2021/22 to £407bn.

2.2 Whilst there were no specific announcements on Local Government funding, there were a range of new measures set out to continue support to individuals and businesses. However, it should be noted that current plans set out by the Treasury indicate public spending is to reduce by £18bn in the near-term; given that MHCLG spending (which funds local government grants) is ‘unprotected’, this may equate to a 5%+ spending reduction to be faced in the near future.

Corporate Plan

- 2.3 The Barnet Plan is summarised below. It was approved by Full Council in March 2021 and is centred on the four priorities and two overarching approaches (Prevention and Equalities) set out below. A key objective of the review of future budgets will be to ensure that they support delivery of the Barnet Plan objectives.

Table 3: Summary of the Barnet Plan Priorities

Priority	Component
Clean, safe and well run	Improving Customer Service
Clean, safe and well run	Better environmental services and a cleaner borough
Clean, safe and well run	Address issues of anti-social behaviour such as frauds, fly-tipping, noise nuisance and illegal parking
Clean, safe and well run	Robust Financial Management
Clean, safe and well run	Unlocking the potential of Parks and Open Spaces
Family Friendly	Family and Belonging- Families and children can be together and be part of a community that encourages resilience
Family Friendly	Safe and Secure - Children and young people are safe and protected from harm
Family Friendly	Education and Learning- Children and young people can learn about the world around them
Family Friendly	Health and Wellbeing - Children are supported to achieve a healthy start in life, enjoy a healthy lifestyle and to build resilience
Family Friendly	Life Chances - Children and young people are able to succeed
Healthy	Bringing health care together and be part of a community that encourages resilience
Healthy	Strengths and independence
Healthy	Being physically active
Healthy	Mental health and wellbeing
Healthy	Tackling domestic abuse and gender-based violence
Healthy	Addressing the longer-term impacts of COVID-19
Thriving	Helping residents - especially young people - into work
Thriving	Implement our Growth Strategy
Thriving	Building a park town for Barnet at Brent Cross Town
Thriving	Create an efficient, convenient and reliable transport network
Thriving	Make Barnet a sustainable borough

- 2.4 The priorities will be delivered with a Prevention based approach to adopt measures to help people remain healthy, happy and independent in all aspects of life. Additionally, Equalities will be central to delivering the priorities to build a strong cohesive community, where diversity is celebrated, and everyone has equal opportunity regardless of their background place with fantastic facilities for all ages, enabling people to live happy & healthy lives.
- 2.5 Tables 3a and 3b set out plans for resourcing the C19 recovery and Barnet plan delivery, also for impact assessment on new or expanded initiatives.

Table 4a: Allocation of Covid 19 funding for recovery and delivery of Barnet Plan:

	£'000 one off
CSWR – improvements in CCTV, enforcement and improved Customer Service	210
Family Friendly – supporting education recovery, children’s emotional and mental health and employment	3,875
Healthy – improvements in integrated care	200
Thriving – supporting employment and sustainability	650
Prevention – improvements in insight	120
TOTAL	5,055

Table 5b: One off allocation of contingency to assess impact (one-off only, to be reviewed through 2022/23 budget process)

	£'000 one off
CSWR – improvements in customer services, parks, and cleansing	715
Family Friendly – support to tackle violence against women & girls	505
Healthy – support victims of domestic abuse	205
Thriving – support employment	100
Prevention – support to Voluntary, Community, and Faith Sector	440
TOTAL	1,810

2020/21 Outturn

- 2.6 A detailed analysis of the 2020/21 outturn was presented to the Financial Performance and Contracts Committee on 08 June 2021. (The report can be accessed here: [FPCC 8 June 2021 item 7.](#)) Policy and Resources Committee is asked to note the high-level position. The General Fund final revenue position for 2020/21 was a net underspend of £9.749m as set out in table 4. Services made net contributions to specific, non-C19 reserves to the value of £6.640m. C19 funding was received from the government in the value of £76.230m (excluding business rates support funding), and was supplemented by £8.772m brought forward from the previous year. Spending on pandemic response activity was £76.559m, and £8.443m has been carried into the new year to fund ongoing activity.

Table 6: 2020/21 revenue outturn

Service Areas	2020/21 Budget	Total Spend 2020/21	Budget variance	COVID Impact	Reserves - Service Specific, non-COVID	Month 12 Outturn	Non-COVID variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	102,538	127,450	24,911	29,285	604	97,561	(4,977)
Children's Family Services	70,024	77,693	7,670	7,410	(418)	70,701	677
Environment	10,189	24,046	13,857	14,273	363	9,410	(779)
Growth and Corporate services	44,065	50,858	6,793	6,453	1,662	42,743	(1,322)
Assurance	7,239	6,926	(313)	1,015	1,109	4,802	(2,437)
Resources	57,540	73,776	16,237	14,553	2,606	56,617	(922)
Public Health	17,940	22,234	4,294	3,569	713	17,952	12
Total at Month 12	309,535	382,985	73,450	76,559	6,640	299,786	(9,749)
2019/20 C19 grant unapplied				(8,772)			
Funding received for C19 in-year				(76,230)			
C19 funding available in 2020/21				(85,002)			
Transfer to 2021/22 via earmarked C19 reserves (grant unapplied)				8,443			
Transfer to earmarked (non-C19) reserves						9,749	9,749
Total at Month 12	309,535	382,985	73,450	76,559	6,640	309,535	0

2.7 The total capital outturn for 2020/21 capital investment programme is £327.144m of which £269.991m relates to the General Fund programme and £57.153m relates to the HRA capital programme. (Changes to the capital programme for 2021/22 onwards are discussed elsewhere in this report.)

Table 5: 2020/21 capital outturn

Service Area	2020/21 Budget	Additions/ (Deletions)	(Slippage)/ Accelerated Spend	2020/21 Outturn
	£000	£000	£000	£000
Adults and Health	6,109	0	(1,292)	4,817
Children's Family Services	14,347	0	(1,253)	13,094
Growth and Corporate services	119,413	(179)	(5,655)	113,579
Environment	36,057	0	(10,117)	25,940

Service Area	2020/21 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2020/21 Outturn £000
Brent Cross	140,861	0	(29,619)	111,242
Resources	1,419	465	(567)	1,318
General Fund Programme Total	318,206	286	(48,502)	269,991
HRA	62,044	0	(4,891)	57,153
Grand Total	380,250	286	(53,393)	327,144

3. APPROACH TO THE 2022-26 MTFS

Timetable

3.1 April to September 2021:

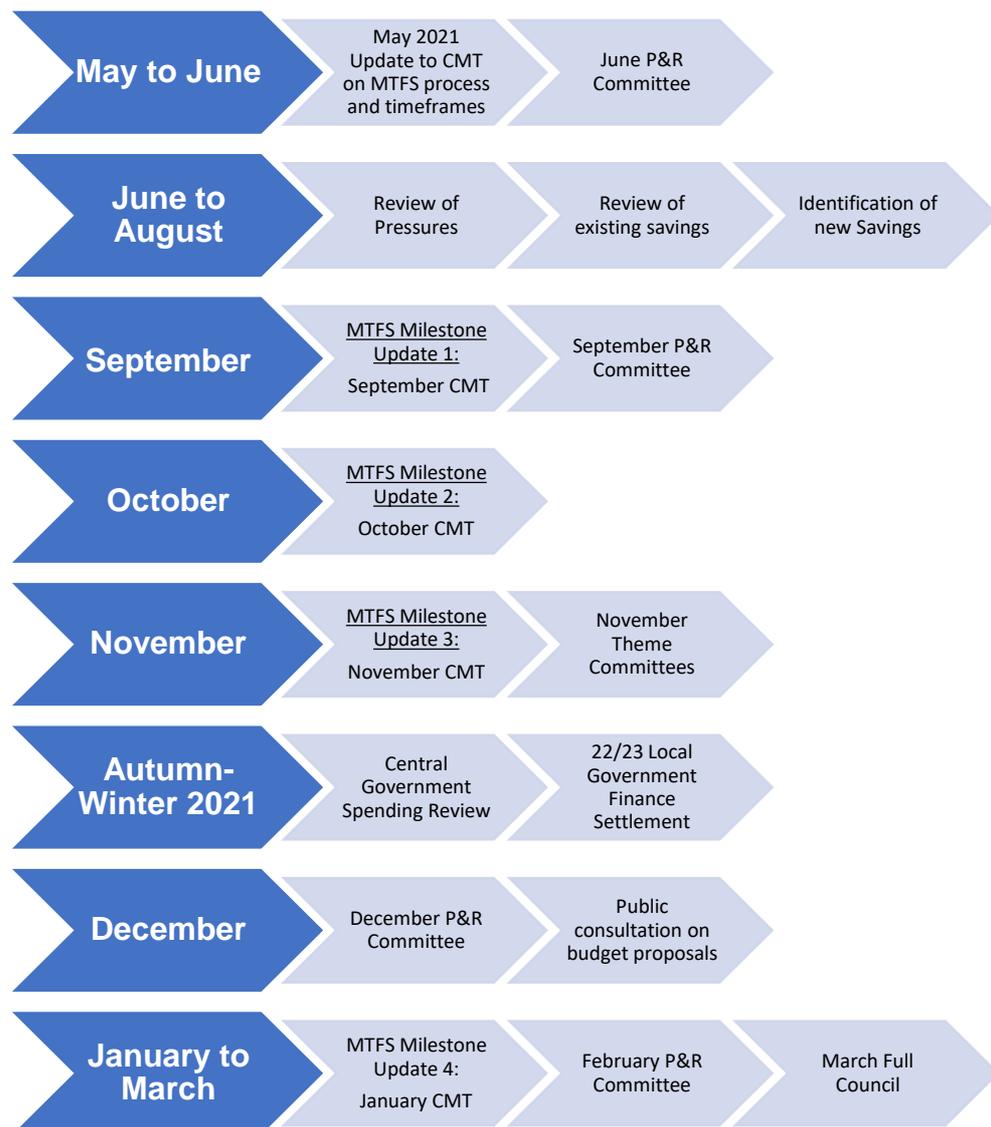
- Assumptions underpinning the current MTFS and specifically options for 2022/23 will be reviewed (comprehensive budget review);
- Ensure that the MTFS supports the Barnet Plan;
- Ensure the MTFS also supports the ongoing response to the Covid-19 pandemic and the move to recovery as this occurs in different services;
- Use emerging data from all service areas (especially demand or activity led services such as including business rates and parking income, and social care activity) to help estimate likely future patterns.

3.2 September 2021 to March 2022 will see the usual budget process including engagement with committees, service users, and residents. This is summarised in figure 1, below.

Budget uncertainty and post-pandemic budget review

3.3 The budget approach taken through the last planning round focussed on securing a balanced budget for 2021/22, which was achieved. However, many of the values included in the current MTFS are based on pre-pandemic data. These will need to be reviewed.

Figure 1 - overview of budget planning timetable



- 3.4 The effects of the Covid-19 pandemic are likely to continue into next financial year and beyond. Some services were directly and rapidly impacted (such as parking and leisure income flows) while other services have seen a delayed impact (for example, an increased preference for homecare over residential care). Some longer-term impacts (such as ongoing changes to the pattern of social care demand) may persist through the medium term.
- 3.5 Some additional services and new responsibilities have also transferred to local authorities (e.g. enforcement of regulations, test and trace services and running of testing and vaccination facilities) and further new responsibilities may be anticipated.
- 3.6 This means that the council's approach to financial planning will need to be able to respond as new information and insights regarding the impact of the pandemic become available and as local communities accommodate to a post-pandemic life. All budgets will need to be reviewed to ensure that they continue to reflect service priorities and financial plans in

the post-pandemic period. To ensure resources and effort are targeted effectively, priority will be given to the larger and more uncertain budget areas.

Funding uncertainty

- 3.7 The current funding position remains uncertain beyond March 2022. The impact of the pandemic meant that key Government decisions on the multi-year Spending Review were deferred and replaced with a one-year Spending Round (SR20). This meant that other decisions such as the planned review of relative 'needs and resources', including changes to business rates, were also further deferred. The current position set out in the MTFS (attached) is that funding is assumed to remain unchanged unless there is evidence to the contrary. Estimates of future resources will be amended through the year as new information becomes available.

Data Led Approach

- 3.8 Usually, the MTFS is able to place great reliance on the financial results of the previous financial year and current year monitoring. These provide a 'foundation' of the latest available cost data on which new budgets can be built, since the majority of council services remain similar from year to year. However, the impact of the pandemic means that this is no longer as reliable: previous data may be accurate but may not reflect emerging trends, and there has been wide-ranging and significant changes to the needs of local people and businesses, as well as corresponding changes in the way council services are delivered.
- 3.9 A data led approach that identifies post-pandemic budget requirements will both support a value for money approach to decisions and promote robust financial management, in line with Barnet Plan objectives.

Current MTFS

- 3.10 An updated MTFS will be presented in September 2021.
Budget Process and Options
- 3.11 Historically, budgets have been set using prior year evidence such as outturn and other sources e.g. benchmarking data. There will be some service areas where costs are already committed that drive the overall budget e.g. social care packages. The usual budget setting process will estimate changes in overall funding and then ask services to balance estimated net costs back to available funding by:
- a. identifying additional pressures;
 - b. identifying new savings or income generation proposals;
 - c. proposing these to Theme Committees;
 - d. Seeking approval for the overall proposals from Council;
- 3.12 For 2022/23, an alternative approach is proposed to set the budget by considering demand and efficiencies within a nominal 'cash-limit'. This will reflect the budgetary expectation that resources are not expected to materially change between this year and next, while also

supporting the need for a review of all budgets as services stabilise and a post pandemic 'normal' begins to emerge.

Table 6a: Indicative budget allocations (nominal 'cash limits')

2020/21 Outturn and Indicative Cash Limits	2020/21 Budget	Outturn 20/21 (excl C19 costs and funding)	Budget 21/22	Indicative Budget 22/23
	£'000	£'000	£'000	£'000
Adults & Health	102,538	97,561	102,579	102,579
Children's Family Services	70,024	70,701	71,248	71,248
Environment	10,189	9,410	11,371	11,371
Growth & Corporate Services	44,065	42,743	41,863	41,863
Assurance	7,239	4,802	8,091	8,091
Resources (less Corporate)	57,540	56,617	58,872	58,872
Public Health	17,940	17,952	18,161	18,161
Covid-19 tranche 5 non ring-fenced grant			10,225	0
Total	309,535	299,786	322,410	312,185

3.13 It is recommended that the committee endorses an approach based around cash limits. Details are being finalised, but will include the following:

- a. Services, supported by the finance business partners (FBPs), will quantify likely demand pressures across all budget areas and document these.
- b. Services, again supported by FBPs, will then review existing budgets to propose efficiency savings (this may be as a result of the pandemic) to be delivered which will offset those demand pressures.
- c. Demand estimates and efficiency proposals across all service areas will be reviewed to ensure overall proposed investments and efficiencies align to the delivery of the Barnet Plan.
- d. The resulting proposals will be presented to Theme Committees for approval, and then to P&R and full council.
- e. Care will be taken to ensure that 'new burdens' are appropriately funded, and that possible increases in demand beyond budgeted levels can be accommodated within wider resources – such as earmarked service provisions or corporate contingency budgets. This will include matters that are required due to equality impact assessments.

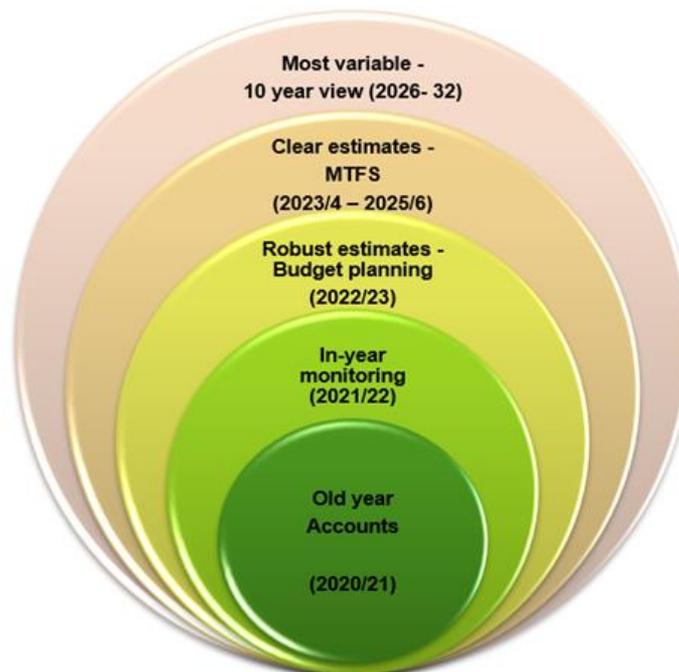
3.14 This approach is intended to ensure that the council reviews all existing budgets post-pandemic and in line with Barnet Plan objectives, in a way which minimises bureaucracy but still meets statutory requirements. It will allow a necessary focus on reviewing resource needs to delivery service priorities, but also ensure overall corporate consistency of approach and alignment to Barnet Plan objectives.

3.15 Indicative cash limited budgets for 2022/23 are set out in the table above. It must be noted that these values are subject to change as the year progresses; but the purpose of setting them out now is to ensure that services have sufficient certainty to enable the work of reviewing likely demand pressures and potential efficiency measures to begin.

4. FINANCIAL STRATEGY

- 4.1 The current planning environment is marked by ongoing uncertainty, and the council will need to plan to accommodate this. Current arrangements build on a foundation of the latest monitoring information as the best evidence of current spending needs. The current year provides evidence of emerging trends and will include new decisions impacting on future budgets. The detailed planning for the coming year accommodates both pieces of evidence, which can then be extrapolated to provide an outline of expected service expenditure across the medium term (usually the coming year and the following three years). It is proposed to add a further strand to this financial strategy which will provide a 10-year outlook for possible resources and overall spending (without the MTFS analysis of spending into service department areas). This is set out below.
- 4.2 Additionally, the Financial Management Code recently launched by CIPFA asks local authorities to adopt a longer-term view, which this revised approach to financial strategy will achieve.

Figure 2: budget strategy; accommodating uncertainty



- 4.3 The financial strategy is therefore proposed to include:
- 2020/21 Prior year financial accounts: the most recent, complete record of actual spending across all services, supported by an external auditor opinion.
 - 2021/22 In-year financial management and monitoring: To confirm expected trends and identify where new trends are emerging.
 - 2022/23 Robust Estimates: Detailed estimates of know cost drivers and funding changes for the coming year.

- Medium-Term Planning (Years 2-4): Indicative planning estimates for all budget values based on most likely scenarios.
- Long-term scenario and policy planning (10-year view): Horizon scanning to identify fundamental budget issues. This will help identify the likely resource levels in the longer term, together with expected fixed costs (such as capital financing, levies etc), and so help identify the trend in overall resources available to fund net service costs.

5. ROUTINE FINANCIAL MATTERS

2021/22 Budget Management

- 5.1 Following the approval of the 2021/22 budget at March 2021 Full Council, the Government confirmed the final 2021/22 allocation for two revenue grant areas (public health, and housing benefit subsidy/administration grants). As in 2020/21, a budget virement is proposed for Committee's approval to ensure the budget amounts are amended to reflect these confirmations. The virements are set out in section [1.8] but summarised as follows:

Table 7: Summary of 2021/22 Budget Changes

2021/22 Funding and Budget Summary	March 2021 Full Council £'000	2021/22 Public Health Grant Uplift £'000	2021/22 Housing Benefit and Council Tax Administration Subsidy Grant Uplift £'000	June 2021 P&R Update £'000
Council Tax Income	(198,051)	0	0	(198,051)
Net Business Rates	(64,352)	0	0	(64,352)
Other Grants	(69,615)	(340)	(346)	(70,301)
Budgeted Funding	(332,017)	(340)	(346)	(332,703)
Net Service Expenditure Budgets	332,017	340	346	332,703
Total GF Balanced Budget	0	0	0	0

Contingency

- 5.2 At the meeting of Urgency Committee in April 2020, delegation powers were approved to the Section 151 officer to authorise any virements required directly in response to the Covid-19 pandemic or other related matters and subsequently reported to Policy and Resources Committee. This includes allocations from contingency.
- 5.3 For 2021/22, the council has a total brought-forward budget of £10.069m of contingency funding towards cost pressures and other occurrences. Based on current commitments, a balance £3.973m is forecast to remain.

Budget Virements

- 5.4 The constitution requires that revenue virements from contingency of £250k or above are approved by the Policy & Resources Committee. Approval is requested by the Committee

to vire non-pay inflation of £3.272m and £0.503m for the increase of employer's pension contributions to directorates. These are detailed in appendix A.

- 5.5 Policy & Resources Committee are also asked to approve budget virements between Corporate Accountancy to departments following final confirmation of 2021/22 grants from the Government. These consist of £0.341m for the Public Health grant and £0.347m for the Housing Benefit and Council Tax Administration grants. These are detailed in Appendix A.
- 5.6 Policy & Resources Committee are asked to approve two virements for over £250k between directorates following the transfer of Domestic Violence commissioning and MOPAC funding between Assurance and Children's Family Services for £0.970m and £0.474m between Resources and Growth and Corporate Services following the transfer of pensions administration. These are detailed in Appendix A.
- 5.7 Policy & Resources committee is asked to note that as part of 2020/21 year end outturn, following the final calculation of insurance recharges for 2020/21, budget virements were processed to directorates to offset this charge and ensure no impact on their outturn positions. These are detailed in Appendix A.

Debt Write-Offs

- 5.8 The write-off of debts is in line with good accounting practice, which requires that debtor balances accurately reflect realisable income and it removes uncollectable debt from the accounts. All organisations suffer from uncollectable debt and the council maintains a bad debt provision against which to charge any debt write offs. The following debts over £5,000 are proposed to P&R Committee for approval to write-off and detailed in appendix B.

Sundry Debt

- 5.9 Sundry income totalling £6,258.60 are recommended for write off. The individual debt is over £5,000 and cover the financial years 2019/20 and is uneconomic to pursue
- 5.10 The collection procedures used for the recovery of these debts have included the issue of an invoice, a reminder and also a final notice. Additionally, and where appropriate, debt collection agencies are used and where legal action was undertaken a Notice before Proceedings would have been issued. Efforts have also been made to contact the debtor where possible and to agree suitable instalment arrangements. All avenues of recovery that where economical and practical have been considered before this course of action.

Tenant Arrears – HRA

- 5.11 Tenant Arrears relating to the HRA with individual debts over £5,000 totalling £85,012.35 covering the financial years 2013/14 and 2014/15 are recommended for write off. In addition, P&R are asked to note individual debts under £5,000 totalling £376,920.28 covering the financial years 2013/14 – 2020/21 which are being written off.

Tenant Arrears – General Fund

- 5.12 Tenant Arrears relating to the General Fund with individual debts over £5,000 totalling £178,450.50 covering the financial years 2013/14 & 2014/15 are recommended for write

off. In addition, P&R are asked to note individual debts under £5,000 totalling £357,675.02 covering the financial years 2013/14 – 2020/21 which are being written off.

Capital Programme

- 5.13 The council has a significant capital programme across both the General Fund and the Housing Revenue Account (HRA). Capital projects are considered within the council's overall medium to long term priorities, and the preparation of the capital programme is an integral part of the financial planning process. This includes taking account of the revenue implications of the projects in the revenue budget setting process.
- 5.14 The Capital Programme, incorporating changes approved at this Committee's February 2021 meeting, changes related to the 2020/21 outturn position, and subsequent additions, is described in the following sections.

Table 8: Capital program changes since March 2021 Full Council

Budget Movement Type	2020-21 Outturn	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	Total Budget
	£000	£000	£000	£000	£000	£000
Feb 2021 P&R Approved Programme	379,825	450,720	197,598	128,256	83,111	1,239,510
Slippage/ Acceleration	(53,464)	39,252	13,583	616	13	0
Additions	962	18,335	706	316	0	20,319
Deletions	(180)	(2,761)	0	0	0	(2,941)
June 2021 P&R Revised Programme	327,144	505,544	211,887	129,188	83,124	1,256,887

- 5.15 The summary of the revised capital programme for this Committee's approval broken down by directorates is as follows:

Table 9: Summary of Proposed Capital Programme after changes

Theme Committee	2021-22	2022-23	2023-24	2024-25	Total
	£000	£000	£000	£000	£000
Adults and Safeguarding	5,814	4,404	4,130	2,974	17,322
Brent Cross	162,053	53,704	2,403	0	218,159
Children, Education & Safeguarding	27,934	13,164	180	0	41,279
Environment	27,063	8,192	8,060	6,383	49,699
Housing and Growth Committee	154,036	66,802	61,683	26,673	309,195
Policy & Resources	24,905	600	600	600	26,705
Total - General Fund	401,805	146,867	77,056	36,630	662,359
Housing Revenue Account	103,739	65,020	52,132	46,494	267,385
Total - all services	505,544	211,887	129,188	83,124	929,744

Slippage

- 5.16 The Capital Outturn position, including all Slippage and acceleration of capital budgets into future years, was presented within the Outturn report at Financial Performance and Contracts Committee on the 8th June 2021. A total of £65.41m has been slipped out of the 2020/21 financial year into future periods, with £11.95m accelerated into 2020/21.
- 5.17 As the council progresses through the financial year, estimates of slippage and accelerated spend will become more accurate. As such, any capital financing adjustments will be presented at this committee with outturn adjustments undertaken by the Chief Financial Officer at year end, in accordance with financial regulations
- 5.18 The breakdown of net slippage and acceleration by Committee is shown below:

Table 10: Summary of Net Slippage

Theme Committee	Net Slippage	Net Acceleration
	£000	£000
Adults and Safeguarding	(1,358)	0
Brent Cross	(29,619)	0
Children, Education & Safeguarding	(1,399)	74
Environment	(9,150)	5
Housing and Growth Committee	(12,577)	6,449
Policy & Resources	(1,097)	100
Housing Revenue Account	(10,211)	5,320
Total at Month 2	(65,411)	11,947

Additions

- 5.19 Public Sector Decarbonisation (PSDS) – Phase 1 (£1.38m) – PSDS funds heat decarbonisation. This is grant funding from the Department of Business, Energy, and Industrial Strategy (BEIS) and is managed by Salix Finance. The PSDS project will install energy saving measures to reduce carbon footprint across Barnet’s corporate estate and realise financial savings.
- 5.20 Barnet Hill A1000 Embankment Works (£0.12m) - Feasibility study to enable suitable short-term mitigation and long-term remedial measures to be devised for A1000 Barnet Hill Embankment. This will address slope instability that is currently resulting in local subsidence. Funded through Council borrowing.
- 5.21 Minor Highways Improvements (£0.92m) – Addition to the council’s Highways Capital programme, which supports the delivery of minor carriageway, footway and other ad-hoc projects in line with the Councils duties as Highways Authority under the highways act 1980. Funded through Borrowing.
- 5.22 Graham Park NE (£1.468m) – Regeneration proposal for North East part of Graham Park Estate. A budget of £1.468m is required to progress the project to Outline Business Case stage. This budget will enable thorough due diligence to be undertaken for the proposed phase, as well as design progression. Funded from Council Borrowing. The project aims

to achieve savings from repairs on regen estate, rental income and council tax and service charges.

- 5.23 Modernisation – Primary & Secondary (£3.586m) - The DfE have awarded the London Borough of Barnet £3,585,862 for School Condition allocations for the FY 2021/22. This funding is used for the modernisation programme across different primary & secondary maintained schools. This funding is given by the DfE to help maintain and improve the condition of school buildings and grounds.
- 5.24 Housing Acquisitions Open Door (£5.175m):
- Opendoor Homes (ODH) have been awarded a £1.95m grant to support housing Rough Sleepers from the MHCLG and GLA, for properties purchased by 31 March 2021. This addition seeks to increase the budget for this capital programme to reflect the pass through of the grant.
 - Addition to the budget related to £3.225m funding applied to the Working Capital element of 156 properties transferred to Open Door in 2021. This was previously written out of the Capital programme in error. Funding from Borrowing.
- 5.25 Meadow Close Children’s Homes (£0.072m) – A budget amendment of £0.072m related to the investment in a relocated Children’s Home at 27 Woodside Avenue. The project made use of existing resources within the programme to fund expenditure in 2020/21.
- 5.26 Brent Cross Thameslink (£4.063m) – LBB and Brent Cross South Limited Partnership (BXS LP) have entered into a Side Agreement to the Station Strategy, with BXS LP funding the Station Eastern Entrance Building Base Cost. The total funding to be provided is £4.063m.
- 5.27 Estate REFIT Project (£0.425m) – This project aims to install energy saving measures into buildings such as libraries, depot, town hall. This project commenced in 2020/21, with a loan from Salix finance already received to fund qualifying expenditure. Retrospective approval is requested on this basis.
- 5.28 Area Committee (£0.465m) – This relates to the 2020/21 Outturn position for CIL funded Area Committees; Chipping Barnet (£0.152m), Hendon (£0.123m) and Finchley/ Golders Green (£0.19m).

Budget movements

- 5.29 Colindale Future of Works Modification (£2.761m) – Retaining existing Colindale Office build and Barnet House Exist works budget and refocusing towards the Colindale Future of Work Programme. This includes a new workplace programme post Covid-19 and the landscaping of Colindale Southern Square. Funded from Borrowing.
- 5.30 Thameslink Station (£2.5m) – Transferring £2.5m Brent Cross Land Acquisition Budget to Thameslink Station works in 2022/23. Pre-approved and funded from Borrowing.

Total Additions

- 5.31 The profiling of the additions described above is set out in the below summary table:

Table 11: Summary of Proposed Additions to the Capital Programme

Additions	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	£000	£000	£000	£000	£000	£000
Public Sector Decarbon Scheme Phase 1	0	1,381	0	0	0	1,381
Barnet Hill - A1000 Embankment Works	0	0	0	0	0	0
Minor Highways Improvements	0	300	307	316	0	923
Graham Park NE	0	1,468	0	0	0	1,468
Barnet Innovation	0	0	0	0	0	0
Modernisation - Primary & Secondary	0	3,586	0	0	0	3,586
Meadow Close Children's Homes	72	0	0	0	0	72
Housing acquisitions Open Door	0	5,175	0	0	0	5,175
Thames Link Station	0	3,664	399	0	0	4,063
Colindale Future of Work Modifications	0	2,761	0	0	0	2,761
Estates REFIT Project	425	0	0	0	0	425
Area Committees	465	0	0	0	0	465
Total at Month 2	962	18,335	706	316	0	20,319

5.32 Including the slippage and additions described previously, the changes to be incorporated into the revised Capital Programme are as follows:

Table 12: Summary of Changes Proposed to Revised Capital Programme

Theme Committee	Net Slippage & Accelerated spend	Deletions	Additions
	£000	£000	£000
Adults and Safeguarding	(1,358)	0	0
Brent Cross	(29,619)	0	4,063
Children, Education & Safeguarding	(1,325)	0	3,658
Environment	(9,145)	0	923
Housing and Growth Committee	(6,128)	(2,941)	11,675
Policy & Resources	(997)	0	0
Housing Revenue Account	(4,891)	0	0
Total at Month 2	(53,464)	(2,941)	20,319

5.33 The funding for the capital programme shown above (table 9) is set out below.

Table 13: Financing for Proposed Capital Programme

Theme Committee	Grants	S106	Capital Receipts	RCCO/ Depr	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	12,439	417	90	0	3,997	379	17,322
Brent Cross	204,281	0	900	0	0	12,979	218,159
Children, Education & Safeguarding	38,723	2	342	0	406	1,805	41,279
Environment	686	4,095	408	0	7,868	36,640	49,699
Housing and Growth Committee	53,484	7,774	12,980	491	15,035	219,431	309,195
Policy & Resources	1	0	1,252	0	5,000	20,451	26,705
Total - General Fund	309,615	12,289	15,973	491	32,306	291,686	662,359
Housing Revenue Account	19,992	0	3,352	79,062	0	164,979	267,385
Total - all services	329,607	12,289	19,325	79,554	32,306	456,664	929,744

Borrowing

- 5.34 £456,664m of the total capital programme will be funded from borrowing of which £153.5m is to be on-lent to Opendoor Homes for the acquisition or delivery of new housing.
- 5.35 Borrowing is typically, Public Works Loan Board loans to support capital expenditure; this type of capital funding has revenue implications (i.e. interest and provision to pay back loan).

Capital Receipts

- 5.36 The council has previously highlighted a risk in the level of capital receipts that it currently holds or forecasts to receive. Capital receipts are proceeds of capital sales (land, buildings, etc.) and are re-invested into purchasing other capital assets.
- 5.37 £19.325m of the above capital programme is planned to be funded by capital receipts. Current receipts are standing at £11.176m with £10.294m HRA receipts and £0.9m General Fund receipts. The current disposal programme estimates a further £15.35m General Fund disposals to be achieved within this financial year.
- 5.38 Of the £14.964m capital receipts planned to fund expenditure in 2021/22, £3.35m will be funded from HRA capital receipt (RTB Receipts). HRA funding will also finance Open Door New Build Housing (£3.98m), of which is shown in the above table under Housing and Growth Committee. Current HRA capital receipt balances plus future estimates suggest that there will be enough HRA capital receipts to fund the relevant projects.

- 5.39 The remaining £7.63m is expected to come from General Fund capital receipts. The council has received £0.9m from General Fund disposals, with £12.49m capital receipts forecast this financial year. The current forecasted Capital Receipt surplus will be £4.86m General Fund and £2.96m HRA.

Capital Grants & Contributions

- 5.40 The current capital programme shows £329.607m to be funded from Capital Grants. S106 and CIL are standing at £12.289m and £32.306m respectively.
- 5.41 Capital grants are mainly received from central government departments (such as the Brent Cross grant from MHCLG) or other partners or funding agencies (such Transport for London, Education Funding Authority).
- 5.42 S106 contributions are a developer contribution towards infrastructure; confined to specific area and to be used within specific timeframe.
- 5.43 Community Infrastructure Levy (CIL) funds are developer contribution towards infrastructure; can be used borough wide but still has time restrictions on use.
- 5.44 Current capital programme forecasts plus future estimates suggest that there will be enough S106 contributions to fund the relevant projects.

Release of funds to TfL for extension of 125 Bus Route - Sponsored Route Agreement

- 5.45 Approval is needed by Policy & Resources Committee to formally release £0.892m of S106 monies to pay TfL for the 125 bus route extension. From Saturday 25 May 2019 TfL extended the 125 route between Finchley Central and Colindale station. The 125 bus route now runs between Winchmore Hill and Colindale every 10 minutes Monday to Saturday daytimes and every 15 minutes Sunday daytime and each evening. This is discussed further and broken down in Appendix A.

Housing Revenue Account (HRA) Business Plan

HRA - Reserve Balances and Business Plan

- 5.46 The HRA budget for 2020/21 anticipated a contribution from reserves of £2.541m. The estimated HRA balance as at 31 March 2020 is £4.000m. The level of HRA balances will be closely monitored in conjunction with the HRA business plan to ensure balances are available to support the delivery of these plans.
- 5.47 A summary of the reserves position is shown below, noting that from 1st April 2021 the HRA reserve balance will be maintained at £4.000m through the use of capital contributions (in line with best practice).

Table 14: HRA reserve

HRA Movement	£'000
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HRA Reserve Balance b/f 20/21	7,525
20/21 in-year forecast deficit	(3,525)
Estimated Balance to March 2021	4,000

5.48 The HRA business plan was submitted to the Housing and Growth Committee on 14 June 2021. The HRA business plan reported good progress being made. The headlines include; the completion of 40 new council homes for rent, a 53 unit extra care housing scheme at Ansell Court in Mill Hill and the acquisition of 21 properties in London to let at affordable rents to homeless applicants. A grant has been secured from the Greater London Authority under the Building Council Homes for Londoners Programme to support the building of 87 new council homes in Barnet. The 2021/22 HRA budget set out in the HRA Business Plan is shown below.

Table 15: HRA budget (arising from refreshed business plan)

HOUSING REVENUE ACCOUNT	2021/22 Budget
Income	£'000
Dwelling rents	(49,813)
Non-dwelling rents	(759)
Tenants Charges for services and facilities	(3,519)
Leaseholder Charges for services and facilities	(2,915)
Other Income	(200)
General Provision	0
Total Income	(57,206)
Expenditure	
Repairs and Maintenance	7,869
'Building Safer Future' funding	850
General	21,810
Special	2,457
Depreciation and impairment of fixed assets	12,220
Debt Management Expenses	8,854
Revenue Contribution to Capital	2,042
Increase in bad debt provision	1,070
Total Expenditure	57,172
Net Cost/(Income) of HRA Services	(34)
Interest and investment income	(11)
(Surplus) or deficit	(45)
Accumulated Reserve (Surplus)	(4,020)

5.49 The council and Barnet Homes have always taken fire safety very seriously and ensuring the safety of residents was already a top priority for our investment programme. Following the Grenfell Tower fire in 2017, the council has committed to going beyond its statutory obligations to meet best practice in fire safety measures, and a priority for the HRA business plan going forward will be to deliver this commitment through an investment programme totalling £51.9m.

5.50 The council has continued to invest in existing council homes which continue to be maintained to the Decent Homes standard. Other projects to be supported by the HRA Business Plan include two additional extra care schemes, providing 125 new homes, and

a further project to provide an additional 20 council flats by adding a floor to existing buildings.

HRA – Right to Buy (RTB) Receipts

- 5.51 The council has entered into an agreement with the former Department for Communities and Local Government (DCLG) – now MHCLG, to retain an element of the RTB receipts for investment in building or acquisition of new social housing. To date, up to 30% of the retained receipts must be spent on the cost of replacement affordable rented homes.
- 5.52 Recent changes in Right to Buy receipts rules has meant that receipts now have 5 years to be utilised for the provision of replacement homes, rather than the 3 years and the amount that can be used has increased from 30% to 40% of the development spend.
- 5.53 The council uses the receipts to increase housing supply by purchasing property and supporting the development of new homes, thereby minimising the risk of there being unused receipts. If the council is unable to use retained receipts within the three-year period, the council intends entering into an agreement with the Greater London Authority on Right to Buy Receipts which will ensure that the council still has access to receipts in the form of affordable housing grant that it might have to otherwise repay to the Treasury. This is available to all London boroughs and will provide access to any receipts that would otherwise be returned to the Treasury for a further three years.
- 5.54 In addition, the HRA settlement in 2012 included a debt cap of £240m which provided the council with the opportunity to borrow an additional £38m as a result of headroom generated by differences between the actual HRA debt and the amount assumed in the settlement. However, in October 2018, the government removed the debt cap and the HRA is now subject to the same prudential borrowing rules as the General Fund.
- 5.55 The removal of the debt cap provides an opportunity to increase the supply of affordable homes in the borough as it means that the council can borrow more to support the acquisition or building of new homes. The HRA business plan sets out how this is proposed to be taken forward.

Corporate Risk Register

- 5.56 The council has an established approach to risk management, which is set out in the risk management framework. The strategic and service/joint risks are reviewed on a quarterly basis to ensure they remain relevant and the controls/mitigations in place to manage the risks remain effective.
- 5.57 The strategic and service/joint risks were reviewed in Q4 2020/21 and updated to reflect changes. 22 risks were scored at a 'high-level' (15+), including three strategic risks on the economy, funding uncertainty, and environmental sustainability. Three service/joint risks increased to a 'high-level' this quarter on delivery of employment schemes, appeals and public inquiry impact on resources, and accommodation in the private rented sector; and a new joint risk was scored at a 'high level' on IT cyber security. These are set out in the corporate risk register appended to this report (Each quarter the strategic risks and 'high-level' (15+) service/joint risks are combined to form the corporate risk register).

6. REASONS FOR RECOMMENDATIONS

- 6.1 The MTFS sets out the estimated overall financial position of the council over a period of time. This report recommends proposed changes to the MTFS process to work towards a balanced budget for 2022/23 and to reduce the gap savings requirement for 2023/24 to 2024/25. This ensures that Councillors and the public are informed of this work, supporting good governance.
- 6.2 This report also includes ongoing budget maintenance in the form of virements and the allocation of contingency funds to ensure strong financial management.
- 6.3 The revisions to the capital programme discussed in this report ensure that the council's financial planning accurately reflects what is happening with scheme delivery. This ensures that the council can make effective decisions on the deployment of its scarce resources.

7. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 7.1 A simple 'savings and pressures' approach could be taken to the budget process for 2022/23, but this would not fully support the much-needed focus on reviewing all budgets, as it focuses on key areas of change or opportunity rather than underlying budget allocations.

8. POST DECISION IMPLEMENTATION

- 8.1 Following approval of the recommendations in this report, budget changes will be processed in the financial accounting system and reflected against service areas for 2021/22 for revenue and capital.

9. IMPLICATIONS OF DECISION

9.1 Corporate Priorities and Performance

- This report supports the council's vision set out in the new Barnet Plan for 2021-25. The Plan has been developed alongside the ongoing Covid-19 pandemic and reflects the views following consultation of residents and stakeholders. The Plan sets out four priorities:
 - Clean, safe and well run;
 - Family friendly;
 - Healthy and
 - Thriving
- The four priorities above will be delivered using a preventative approach whilst also considering equalities in all the council does.

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

- The report considers strategic financial matters and refreshes the current position of the council’s MTFS. Plans will be enacted to work and identify savings and ensure they go through the appropriate governance process to set a legal budget in March 2022.
- The proposed changes to the capital programme will have an impact on the cost of borrowing and therefore support the council’s revenue budget.
- The council’s financial regulations require that virements for allocation from contingency for amounts over £250,000 and capital programme additions must be approved by Policy and Resources Committee.

9.3 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.
- Under Section 114 of the Local Government Finance Act 1988, the chief finance officer (S151 Officer) of a relevant authority shall make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- Article 7 of the Council’s Constitution sets out the terms of reference of the Policy and Resources Committee which include:
 - Responsibility for strategic policy finance and corporate risk management including recommending: Capital and Revenue Budget; Medium Term Financial Strategy; and Corporate Plan to Full Council;
 - To be responsible for the overall strategic direction of the Council including strategic partnerships, Treasury Management Strategy and internal transformation programmes;
 - To be responsible for those matters not specifically allocated to any other committee affecting the affairs of the Council.
- The council’s financial regulations state that amendments to the revenue budget can only be made with approval as per the scheme of virement table below:

Virements for allocation from contingency for amounts up to £250,000 must be approved by the Section 151 Officer in consultation with appropriate Chief Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the bottom line are approved by Service Director

Virements between services (excluding contingency allocations) up to a value of £50,000 must be approved by the relevant Chief Officer
Virements between services (excluding contingency allocations) over £50,000 and up to £250,000 must be approved by Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee
Policy and Resources Committee approval is required for all capital budget and funding virements and yearly profile changes (slippage or accelerated spend) between approved capital programmes i.e. as per the budget book. The report must show the proposed: i) Budget transfers between projects and by year; ii) Funding transfers between projects and by year; and iii) A summary based on a template approved by the Section 151 Officer
Policy and Resources Committee approval is required for all capital additions to the capital programme. Capital additions should also be included in the quarterly budget monitoring report to Financial Performance and Contracts Committee for noting.
Funding substitutions at year end in order to maximise funding are the responsibility of the Section 151 Officer.

- Article 4 sets out the role of Full Council “approving the strategic financing of the council upon recommendations of the Policy and resources committee, determination of financial strategy, approval of the budget, approval of the capital programme”. Council will set the budget and Policy and Resources Committee will work within that set budget subject to the rules on virements contained in the Financial Regulations.

9.4 **Insight**

- The MTFs already makes use of data and models from different sources and these include Central Government projections e.g. forecasts from the Office of Budget Responsibility on CPI inflation, in-year trend data on changes to Council Tax as a basis for future estimates and models of budget spend e.g. on capital and the resulting impact on financing. The MTFs process for the upcoming year will place an increase focus on a data-led approach to support estimates of pressures and savings offered.

9.5 **Social Value**

- None that are 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.

9.6 **Risk Management**

- The council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. The allocation of an amount to contingency is a step to mitigate the pressures that had yet to be quantified during the budget setting process.
- The allocation of budgets from contingency seeks to mitigate financial risks which have materialised.

9.7 Equalities and Diversity

- Equality and diversity issues are a mandatory consideration in the decision-making of the council.
- 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 Council 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 below.
- A public authority must, in the exercise of its functions, have due regard to the need to:
 - a. 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:
 - d. remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - e. 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;
 - f. 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:

- g. Tackle prejudice, and
- h. 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
- If deemed appropriate, a project may be subject to future individual committee decision once the budget envelope has been set by Council. The equality impacts will be updated for these decisions. Reserves may be used to avoid adverse equality impacts.
- The Equality Act 2010 and The Public Sector Equality Duty impose legal requirements on elected Members to satisfy themselves that equality impact considerations have been fully taken into account in developing the proposals which emerge from the finance and business planning process, together with any mitigating factors. To allow the Council to demonstrate that it has met the Public Sector Equalities Duty as outlined above, each year the Council undertake a planned and consistent approach to business planning. This assesses the equality impact of relevant budget proposals for the current year (affecting staff and/or service delivery) across services and identifies any mitigation to ease any negative impact on particular groups of residents. This process is refined as proposals develop and for the Council meeting it includes the assessment of any cumulative impact on any particular group.
- All human resources implications of the budget savings proposals will be managed in accordance with the council's Managing Organisational Change policy that supports the council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.
- 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 <https://www.barnet.gov.uk/your-council/policies-plans-and-performance/equality-and-diversity/equality-impact-assessments-0>

9.8 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. The outcomes and priorities in the refreshed Corporate Plan, Barnet 2025, reflect the council's commitment to the Corporate Parenting duty to ensure the most vulnerable are protected and the needs of children are considered in everything that the council does. To this end, great attention has been paid to the needs of children in care and care leavers when approaching business planning, to ensure decisions are made through the lens of what a reasonable parent would do for their own child.
- Council, in setting its budget, has considered the Corporate Parenting Principles both in terms of savings and investment proposals. The Council proposals have sought to protect front-line social work and services to children in care and care leavers and in some cases, has invested in them.

9.9 Consultation and Engagement

- As a matter of public law, the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in four circumstances:
 - where there is a statutory requirement in the relevant legislative framework;
 - where the practice has been to consult, or, where a policy document states the council will consult, then the council must comply with its own practice or policy;
 - exceptionally, where the matter is so important that there is a legitimate expectation of consultation;
 - where consultation is required to complete an equalities impact assessment
- Consultation is also recommended in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equalities duties
- Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:
 - Comments are genuinely invited at the formative stage;
 - The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;
 - There is adequate time given to the consultees to consider the proposals;
 - There is a mechanism for feeding back the comments and those comments are considered by the decision-maker / decision-making body when making a final decision;
 - The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting;
 - Where relevant and appropriate, the consultation is clear on the reasons why and extent to which alternatives and discarded options have been discarded. The more intrusive the decision, the more likely it is to attract a higher level of procedural fairness.
- The council will conduct a budget consultation between December 2021 through to January 2022. This consultation will cover any proposals to increase council tax together with seeking views on the council's budget overall.

BACKGROUND PAPERS

Committee	Item & Agenda	Link
Full Council 02 March 2021	Item 10.1 Business Planning – Corporate Plan, Budget for 2021/22, and Medium-Term Financial Strategy 2021-25	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=10237
Policy & Resources 8 February 2021	Item 9 Business Planning – Corporate Plan, Budget for 2021/22, and Medium-Term Financial Strategy 2021-25	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=10200
n/a	MHCLG MRP Guidance	Statutory_guidance_on_minimum_revenue_provision.pdf (publishing.service.gov.uk)
Policy & Resources 8 December 2020	Item 7 Business Planning 2021-2025 and Budget Management 2020/21	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=10199
Financial Performance and Contracts Committee 7 December 2020	Item 7 Chief Financial Officer Report Forecast Financial Outturn at Month 7 (October 2020)	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=10108
Children, Education and Safeguarding Committee 30 November 2020	Item 8 Business Planning 2021-25	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=697&MId=10095
Environment Committee 25 November 2020	Item 7 Business Planning 2020-25 and Fees & Charges for 2021-22	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=695&MId=10157
Housing and Growth Committee 24 November 2020	Item 8 Business Planning 2020-25	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=10227
Adults and Safeguarding Committee 23 November 2020	Item 7 Business Planning 2020-25	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=698&MId=10204
Policy & Resources 24 September 2020	Item 8 Business Planning 2021 to 2025 and Budget Management 2020/21	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=10198
Policy & Resources 17 June 2020	Item 8 Outturn 2019/20; Budget 2020/21 and Business Planning 2021 - 2025	https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=10197

Urgency Committee 27 April 2020	Item 7 Approval of Emergency Decision and Delegation to Chief Officers	https://barnet.moderngov.co.uk/ieListDocuments.aspx? CId=716&MId=10375
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