



# Financial Performance and Contracts Committee

23 November 2021

**Title**

**Chief Financial Officer Report  
Forecast Financial Outturn at Month 6  
(September 2021)**

**Report of**

Director of Finance (Section 151 Officer)

**Wards**

All

**Status**

Public

**Urgent**

No

**Key**

No

**Enclosures**

None.

**Officer Contact Details**

Ben Jay, Assistant Director of Finance  
[ben.jay@barnet.gov.uk](mailto:ben.jay@barnet.gov.uk)

## Summary

This report contains a summary of the Council's forecast outturn for revenue and capital budgets in the financial year 2021/22, as at Month 6 (30 September 2021). It also contains information on the level of debt as at 30 September 2021.

## Recommendations

That the committee notes:

1. the current financial forecast outturn for 2021/22 and the review of the half-year position in key budget areas;
2. the ongoing costs of the pandemic and the overall level of commitments against available funding;
3. the forecast of use of reserves;
4. the current position against ringfenced grant funding;
5. the current forecast for capital expenditure in the year;
6. the current debt position and related actions.

## 1 Summary

- 1.1 The financial position for the current year continues to be marked by uncertainty due to
  - the outlook for service demand, costs, and revenues due to the longer term impact of Covid-19
  - potential inflationary cost increases
  - supply chain and distribution difficulties.
- 1.2 As noted in previous reports, it remains challenging to separate the short term financial impacts from the longer term impacts of covid-19 as these are taking time to become clear. This report draws on the latest information from a range of council sources to provide a forecast. This report sets out the budget forecast as at month 6 and the 'most likely' outcomes based on current information.
- 1.3 The council continues to monitor all areas of spending and to adapt in order to accommodate emerging areas of concern.
- 1.4 At month 6, the financial outturn is forecast as:
  - Net use of earmarked reserves of £2.453m, made up of the planned use of earmarked reserves of £5.966m and a £3.5m contribution to reserves from contingency funding not committed at the mid-year point.
  - Spending £1.523m below budgeted levels after the application of reserves described above.
  - Anticipated C19 spending of £28.865m in the current year from funding brought forward from last year, plus additional funding received in the current year. It is anticipated that reserves of a further £9.311m will be available at the year-end which will be used to cover anticipated future costs attributable to the pandemic.

## 2 Forecast outturn position at month 6

### Overview

- 2.1 This report sets out the Council's forecast outturn position for the 2021/22 financial year as at Month 6 (30th September 2021) and the current estimate of the financial impact of the Covid 19 pandemic during 2021/22.
- 2.2 Forecast performance to March 2022 against the budget approved by Council in March 2021 is set out in the table below. This shows that spending is currently anticipated to be less than budgeted by £1.523m. This is after the application of earmarked reserves of £2.453m. These resources were previously set aside against anticipated (but not certain) future cost pressures (£5.966m), which are offset by £3.5m of contingency funding uncommitted at month 6 and to be carried forward to next year.
- 2.3 The month 8 forecast is an approximately £3m improvement on the previous position seen by this committee, which reported the a forecast outturn at month 4 of £1.515m more than budget after application of £5.847m of reserves. The key changes from month 4 to month 6 include
  - reductions in the forecast for Children's and Family Services relating to approval of a virement for £900k approved by Policy and Resources Committee in September which removes the cost pressure in the 18-25 service;
  - improvement in the forecast for Growth and Corporate Services of £500k largely due to an improved forecast for Temporary Accommodation costs;

- an improved forecast for Assurance Services of £970k due largely to unanticipated income arising from the legal services partnership; an improvement in the forecast for Resources of £557k largely due to changed capital finance costs.

Table 1: Forecast Revenue Outturn at Month 6

Service Areas	2021/22 Budget	M6 Forecast	M6 Variance	Non C19 Reserves applied	Variance after reserves
	£'000	£'000	£'000	£'000	£'000
Adults and Health	103,032	106,500	3,467	(3,516)	(49)
Children's Family Services	73,839	74,913	1,074	(1,071)	3
Environment	11,981	13,774	1,794	(1,207)	587
Growth and Corporate services	40,212	40,741	529	(323)	205
Assurance	7,322	7,008	(314)	(35)	(350)
Resources	78,471	72,849	(5,622)	3,699	(1,923)
Public Health	18,244	18,247	3	0	3
<b>Total at Month 6</b>	<b>333,102</b>	<b>334,032</b>	<b>930</b>	<b>(2,453)</b>	<b>(1,523)</b>

### Non-Covid spending

- 2.4 The current forecast for non-Covid spending is £1.523m lower than budgeted. Table 2a provides a breakdown of the movement in non-Covid variance as at Month 6 with commentary.
- 2.5 Overall, non-C19 spending remains close to planned budget levels. However, there remains significant risk in social care placement forecasts. This is due to uncertainty over the short-term impact of C19-related demand changes in adults, and to the risk of care placements arising in children's with unexpectedly high and/or complex needs, which would change the forecast. These risks are being held under review by the services concerned.
- 2.6 Car parking losses continue to be a source of concern, but current receipts have reached c82% of pre-pandemic levels. The forecast does not assume further improvement (although this may transpire) but does assume receipts are held at current levels.
- 2.7 The main change in the forecast from the previous month is the virement to the 18-25 service of £0.900m from contingency budgets, approved by policy and resources committee in September. This removes the forecast variance reported previously.
- 2.8 Elsewhere, the expected forecast cost of temporary accommodation services has been reduced by £370k in line with latest results, which have seen a lower than expected increase in costs in the first half of the year. However, this is offset by £200k of increased costs in Environment associated with retaining qualified HGV drivers.

Table 2a: Non-Covid Spending - movement in variance from month 5 – 6

Service Areas	Month 5 non-COVID variance	Change	Month 6 non-COVID variance	Commentary
	£'000	£'000	£'000	
Adults and Health	(11)	(38)	(49)	Reduction on contract cost under the Prevention service has resulted in favourable movement from month 5 (£38k)

Children's Family Services	882	(879)	3	Budget virement of £900k approved at P&R in respect of 18-25
Environment	350	237	587	Adverse movement due to the approved financial provision of £200k for the retention payment scheme in relation to the council's HGV Drivers; in addition to adverse timing differences on the recovery of costs associated to damage to public highways, £32k
Growth and Corporate services	429	(224)	205	£370k favourable movement in Housing General Fund, reflecting a reduction in Temporary Accommodation (TA) costs, with actual TA costs falling in the first half of the financial year.
Assurance	(319)	(31)	(350)	Previous £13k off-site storage and scanning pressure now funded from Transparency New Burdens grant and a reduction in officer costs of £11k Business Development and £70k in Electoral Services.
Resources	(1,888)	(36)	(1,923)	Overall forecast for Housing Benefit Administration is £643k below budget an improvement on last month's £628k. Overall forecast for Revenues and Benefits Administration is now £39k below budget (a £20k improvement on last month).
Public Health	3	0	3	
	(553)	(970)	(1,523)	

2.9 A more detailed review of the financial position in key areas has been undertaken to provide assurance that the mid-year position is properly aligned with both the forecast for the year, and projected net budget requirements for next year. This review has focused on the known areas where high planned expenditure coincides with volatility in demand or activity – adults' social care placements, children's social care placements, car parking revenues, and temporary accommodation costs. The approach was to look in detail at the financial position at the end of month 6 and to consider areas where costs and revenues had not yet been included. The resulting position was compared to the budget estimate for the mid-year to calculate a variance. This was then compared to the projected variance arising from the outturn forecast in the current month to ensure that the forecast was fully informed by the latest financial data.

2.10 Table 2b shows the outcomes of this exercise. It illustrates that current forecasts for the year end position in key budget areas is aligned to the position at mid-year, as follows:

- Adult's placements costs (excluding C19 costs) are slightly less than half the outturn forecast position at the mid-point of the year, due to anticipated increases in activity over the winter period.
- Children's external placement costs are currently higher at mid-year than expected by outturn, as it is expected that current costs will be reduced as planned cost reduction measures are implemented. However, this could be changed depending on the relative cost and complexity of any new referrals in the second half of the year.
- Car parking income losses are proportionate to the higher year end estimate. The overall forecast assumes the current position is, at a minimum, held, and the forecast will remain under monthly review.

Table 2b: Mid-year review; year to date and forecast outturn positions compared.

Service Areas	Mid-year budget variance based on YTD actuals	Forecast budget variance	Commentary
	£'000	£'000	
<b>Adults and Health</b>	3,028	6,406	<i>Reflects continued support post pandemic for both workforce pressures and relating placement support. Plus the impact of business disruption to the Leisure industry.</i>
<i>Of which: placements</i>	702	1,756	<i>Placements spend profiled from month 2 allowing for the first month payments in arrears to providers.</i>
<b>Children's</b>			
<i>Children's and Family Services External placements and Independent Fostering Arrangements</i>	303	113	<i>Overspend forecast to reduce to account for a £0.405m saving we have as forecast to be met in second half of the year. This is a risk and should it not be achieved the overspend forecast will increase. However, and for context, a £0.405m saving, whilst a significant amount is actually just one high cost client for example.</i>
<b>Environment</b>	-		
	607	4,682	<i>The financial pressure due to Covid-19 totals £4.095m, excluding the Covid-19 impact there is an overspend of £0.587m. The car parking position reflects a situation which is improving through the year.</i>
<i>Of which: car parking income</i>	1,561	3,089	

### Application of Reserves

- 2.11 The council has reserves set aside to deal with future pressures where the value or the timing of the pressure is uncertain, or where the funding can only be spent on specific objectives (e.g. grant funding). Reserves are divided into 'earmarked' reserves, where the spending objective is known with some clarity, and 'general' reserves, intended to mitigate the impact of wholly unforeseeable costs. Earmarked reserves are often held by specific services; some earmarked reserves and all general reserves are held corporately.
- 2.12 This report sets out anticipated use £2.453m of reserves in the year. This includes £5.966m of earmarked reserves for service purposes being drawn down to fulfil previous commitments (e.g. tree planting) or to cover previously identified risks (e.g. adults demand pressures). Additionally, £3.5m of corporate contingency funding, uncommitted at month 6, is to be carried forward to next year, and this is reflected as a contribution to reserves. The table below provides further detail.

Table 3 Forecast use of or top-up of reserves at Month 6

Service Areas	Reserve Movements M6	Commentary
Adults and Health	(3,516)	£2.0m upward placements activity - earmarked reserve drawdown. £1.2m YCB loss recognition £0.316m staffing commitments to support the transformation program
Children's Family Services	(1,071)	£0.453m to support troubled families work we are delivering £0.018m safeguarding drawdown £0.595m from transformation to cover: a) AYSE Social worker recruitment (£0.28m) b) International recruitment (£0.056m) c) Remainder is various others including youth perception survey, research, specific training and insight staffing

Environment	(1,207)	Green spaces and leisure drawdown due to Trees £0.613m, Pleasant Parks programme £0.500m and Sustainability Expertise and Data Collection (Barnet Plan) £0.094m
Growth and Corporate services	(323)	£0.388m transfer to the Brent Cross Retail Park reserve. The £0.744m full surplus exceeds the planned contribution and allows £0.356m of this to be retained to support BX revenue costs. Offset by: £0.257m drawdown for the Strategic Contract Review. £0.454m drawdown for Homelessness prevention, support, and monitoring from Flexible Homelessness Support Grant (FHSG) committed in prior years.
Assurance	(35)	£0.296m top up of income from the legal gain-share received in this financial year, to fund complaints management system and service delivery. £0.154m top-up to the elections reserve to fund the local elections in May 2022. £0.015m Top up for the Mayoral Car.
Resources	3,699	£0.015m Grants Awarded (top up) £0.201m drawn down to support the Care Leaver Participation programme and £3.5m contribution to reserves from contingency, to be carried forward to next year.
Public Health	0	
<b>Total</b>	<b>(2,453)</b>	

## Savings

- 2.13 The budget for 2021/22 includes planned savings of £10.590m. The forecast set out in table 1 includes the achievement of 81% of this target (£8.586m) as shown in table 4.
- 2.14 The 2020/21 budget planned for the council to deliver £17.311m of savings. Of this, £2.458m was not achieved due to the pandemic but was expected to be achieved in the new year. Current indications are that these savings will all be achieved.
- 2.15 Continued disruption to the Leisure industry, a direct consequence of the pandemic, accounts for a large proportion of the gap in savings delivery against Adults & Safeguarding. This position continues to be reviewed and mitigation plans discussed.
- 2.16 Underachievement in Growth and Corporate Services is due to planned additional income from rental of office and other accommodation no longer being possible, and in Environment to additional income relating to advertising opportunities not arising.

Table 4 Forecast Savings Delivery 2021/22

Service Area	Planned savings new in 2021/22				Savings deferred from last year (due to C19)			
	Savings target 2021/22	Savings On Track as at 30/09/2021	(Gap) /Over to plan	Service area gap	Deferred savings target 2020/21	Savings On Track as at	(Gap) /Over to plan	Service area gap
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Adults & Safeguarding	2,026	636	1,390	68.61%	1,215	1,215	0	0.00%
Children and Family Services	2,775	2,682	94	3.37%	50	50	0	0.00%
Environment	1,375	1,100	275	20.00%	100	100	0	0.00%
Growth and Corporate Services	4,136	3,891	245	5.92%	1,013	1,013	0	0.00%
Assurance	100	100	0	0.00%	(0)	(0)	0	0.00%
Resources	78	78	0	0.00%	80	80	0	0.00%
Public Health	100	100	0	0.00%	0	0	0	0.00%
<b>Total</b>	<b>10,590</b>	<b>8,586</b>	<b>2,004</b>		<b>2,458</b>	<b>2,458</b>	<b>0</b>	
<b>Percentages</b>	<b>100.00%</b>	<b>81.08%</b>	<b>18.92%</b>		<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	

## Covid-related spending

- 2.17 Based on latest information, it is estimated that spending on activity related to Covid-19 will amount to £28.865m in the current year. £9.178m (c. 24%) of available funding is expected to be spent in future years – some of this is formally committed, and other proposed applications are under review. – although there remains uncertainty over the costs in the remainder of the year and it is expected that these funds will become fully committed as future cost estimates are updated.
- 2.18 Brought forward balances have been increased by £5.383m from the previously reported position of £8.444m to £13.827m. This is mainly due to a revised position relating to collection fund losses where previously expected losses of £5m did not transpire because bigger benefits than anticipated arose from an improved outturn on council tax collection and additional benefit from the London business rates pool. The revised brought forward value is reflected in table 5.

Table 5: Summary of Covid-19 related funds and associated spending plans at month 6

Service Areas C19 at Month 6	C19 forecast	comment
spending	£'000	
Adults and Health	12,732	Specific Grant funding for Infection Control , Rapid Testing, Clinically Extremely Vulnerable and Local Support Grant (£4.355m) Hospital discharge funding (£1.922m) Leisure disruption/SPA income (£1.843m) ASC workforce pressures (£2.088m) Placement related pressures (£2.524m)
Children's Family Services	3,694	£0.991m COVID Local Support grant, £0.500m payments to support families' needs increased due to COVID, £0.500m High quality education: language development, social, emotional and mental health needs, £0.460m mental health support teams rolled out across all schools, £0.375m Therapies, £0.455m staffing and £0.504m various others
Environment	4,095	Loss of parking income - fees and charges (£3.306m); Loss of commercial waste income (£0.372m); Refuse collection - additional vehicle cleaning (£0.128m) and PPE & Sanitisation (£0.097m)
Growth and Corporate services	3,466	Increased temporary accommodation demand (£0.541m), Re Guaranteed Income shortfall (£0.692m), Employment and skills staffing and support (£0.175m), Entrepreneurial and Training programmes (£0.300m), IT and Licencing (£0.225m), print contract reimbursement (£0.130m), staff diverted from standard duties (£0.207m), Town Centre redevelopment (£0.191m), re-opening of high streets safely (£0.492m), Strategy and Communications priorities (£0.600m) and Maximising the benefit of MS Office 365 (£0.120m)
Assurance	1,280	Enforcement team relating to COVID-19 street patrols and Fixed Penalty Notices (FPN) (£0.560m); staff diverted from standard duties, including patrol officers (£0.350m), Emergency responders (£0.030m); Anti-Fraud officers investigating COVID-19 grant and business fraud (£0.120m).
Resources	338	Discretionary Test and Trace (£0.3m)
Public Health	1,693	Test and Trace support (£0.209m) Contain Outbreak Support i.e. VCS sustainability, support for Homelessness, Bereavement services etc (£1.484m)
Schools	1,567	Covid recovery grant
<b>Planned spending in CFY (21/22)</b>	<b>28,865</b>	<b>Of this, clear spending plans have been identified for £27m.</b>
Earmarked for next year	9,311	<i>Mental health support in schools and supporting young people into employment (£1.8m) £0.5m covid recovery grant for schools £0.9m adults prevention support and £1m staff resourcing support £1.2m earmarked against future temporary accommodation pressures £2.9m anticipated business rates losses</i>



<b>C19 costs as at Month 6</b>	<b>38,176</b>	
<b>funding</b>	<b>£'000</b>	
funds brought forward from last year	13,827	Comprising funding provided by government in 2019/20 and 2020/21, where £13.8m was not fully spent at 31 March 2021 (the balance of £86.5m received and £78.1m spent; excludes business rates support funding).
additional funds in 21/22:		
- SFC reimbursement	1,271	Based on the extension of the 2020/21 scheme from 31 March 2021 to 30 June 2021; Actual losses
- unringfenced funding (tranche 5)	10,225	Funding announced as part of the Local Government Finance Settlement for 2021/22 – 5th tranche of unringfenced funding.
- NHS hospital discharge funding	1,922	Anticipated income arising from the NHS hospital discharge scheme, which runs to 30 September 2021.
- other government funding	10,798	Other funding available in 2021/22, including extensions on Track and Trace, COMF, CEV etc.
<b>Known funding at Month 6</b>	<b>38,042</b>	

## Risks and opportunities

2.19 In preparing the report for month 6, a number of overall (corporate) and service-specific risks have been identified. These are set out below.

- **Corporate**
  - Inflation risks continue to be discussed in the media and have been included in the background documents to the government's spending review announcements. This is an area that is under review to inform in-year forecasting as appropriate.
  - The current forecast outturn position assumes that there is no further local or national lockdown affecting the council, and that all services will now see a progressive easing of previous pandemic-driven cost pressures.
- **Adults and health**
  - The level of clients discharged from hospital with more complex needs than has been the case previously, due to various C19 impacts including delays treating other conditions. There is significant uncertainty in what the demand for adult social care service will be this year.
  - Revenues, including client income due and the future NHS funding for hospital discharges. These are part of some 'one-off' funding mitigations which are likely to end this financial year.
  - Continued disruption to the leisure industry arising from the pandemic, and the financial impact of this.
  - If rising activity levels in the second half of the year match the first half then there will be a significant financial impact on the current reported outturn position (this is not currently forecast, as there is an absence of clear data to support this possibility at this stage).
- **Children's and Family Services**
  - UASC numbers due to inclusion within the borough boundary of a number of hotels used by the Home Office to accommodate asylum seekers, some of which may be children to whom UASC support arrangements then apply.
  - Within CFS is that there is potential for clients to present with complex needs or existing clients needs increase both within 18-25 and other children's placements. If this happens, there could be a large cost impact which would not be containable within the budget. For context, a high-cost placement could cost £10-12k per week.
  - We are now seeing an increase in referrals as a result of the re-opening of schools. This is causing an increase in cost along with placement sufficiency issues both across London and nationwide.
- **Environment**



- The forecast overspend includes the benefits of the rollout of the CPZ Programme as mitigation. However, the CPZ programme of £0.500m is partly negated by the timing of lifting of pandemic restrictions.
- Growth and Corporate Services
  - Further costs arising from the Brent Cross project which cannot be capitalised.
  - Potential additional homelessness prevention staff costs to meet backlog of demand in Housing Growth.
  - Possible changes in the demand for Temporary Accommodation as eviction processes get under way.
- Assurance
  - A decision has been made to use the insurance reserve to fund the £0.500m in-year insurance pressure. A wider contract review is due in October 2021, with final settlements agreed in November, which will determine the approach in future years.

### Budget changes

- 2.20 As previously reported, the budget was increased by £1.084m between months 2 and 3, due to receipt of inflationary uplifts for the public health grant and housing benefit and council tax support administration (£687k together) plus the release of a provision of £397k against collection fund losses spread over 3 years included in the March budget but now funded from C19 resources brought forward.
- 2.21 A virement is included in month 6 between contingency and CFS (18-25) reflecting the decision of the Policy and Resources committee.

### Reserves

- 2.22 Based on the paragraphs above, the forecast reserves balances at year-end are shown in table 6 (below).
- 2.23 Table 6 includes values for brought forward revenue grants unapplied relating to C19 of £13.824m for general fund-related allocations, and £44.274m for collection fund (business rates) related balances. These are the confirmed balance values following the audit of the 2020/21 accounts. The increase in the balance for general fund items is due to confirmation of collection fund requirements being lower than previously estimated, and the increased value of collection fund items reflects the confirmed treatment of these items, including the amount related to the s31 designated area reliefs.
- 2.24 It is expected that service reserves are to be used to the value of £5.966m and £4.513m of C19 grant unapplied will be used (this is the net position taking into account use of the £13.824m brought forward, the contribution arising from funds received but not spend in 2021/22, and the estimated use in future years – see also section 2 above).
- 2.25 Revenue grants unapplied relating to the collection fund include £31.419m of business relief grants, and £12.855m of s31 'designated area' receipts received as part of the compensation for losses. The use of the brought forward general reliefs is difficult to estimate with confidence but is currently expected to be used in this year. The designated area/safety net receipts are being retained against future fluctuations in business rates received, but also remain subject to some discussion over the council's ability to retain them.
- 2.26 Overall, reserves brought into the year amount to £143.742m. It is expected that £26.917m of this will be used in the year (chiefly in support of losses relating to business rates), leaving an estimated carry forward of £102.905m. (NB – values for s106 receipts in the year are not yet known with certainty and are not shown; the likely value will be £7m-£14m.)

Table 6 Forecast Reserves Balances at month 6

Reserve Movements	Balance Brought Forward £000s	net change £000s	Resulting balance £000s
Revenue Reserves - non-earmarked	39,433	0	39,433
Revenue Reserves - earmarked (non-Covid-19)	30,145	(2,453)	27,692
<b>Total Revenue Reserves</b>	<b>69,577</b>	<b>(2,453)</b>	<b>67,125</b>
Revenue Grant - unapplied (Covid-19, general fund)	13,824	(4,513)	9,311
Revenue Grant - unapplied (Covid-19, collection fund - general reliefs)	31,419	(31,419)	0
Revenue Grant - unapplied (Covid-19, collection fund - s31 safety net)	12,855	0	12,855
<b>Grant unapplied</b>	<b>58,098</b>	<b>(35,932)</b>	<b>22,166</b>
<b>Total Revenue Reserves &amp; Grant Unapplied</b>	<b>127,675</b>	<b>(38,385)</b>	<b>89,291</b>
Capital Reserves	16,067	0	16,067
<b>Total All</b>	<b>143,742</b>	<b>(40,837)</b>	<b>102,905</b>

### 3 Ringfenced funding

#### Housing Revenue Account (HRA)

- 3.1 The HRA budget was realigned following the approval of the HRA business plan at June Policy and Resources committee, with an amendment approved at Housing and Growth Committee in September. No variance to budget is currently anticipated. A detailed table is included at appendix A.
- 3.2 At month 6, the HRA is forecasting a £0.020m surplus in line with the budget which is after a voluntary expenditure contribution to capital of £1.771m
- 3.3 Excluding capital charges and depreciation, the controllable element of the HRA is projected to achieve a surplus of £13.953m, against a target of £14.243m, leaving a projected deficit to the target of £0.290m. The projected movement from the last report is a favourable movement of £0.0373m. This is due to an £0.195m increase in projected Dwelling rent due to low void rates achieved, £0.143m increase in projected service charges, £0.014m increase in projected non-Dwelling rent (Garage & Commercial rents) and £0.022m reduction in other costs.
- 3.4 The current position includes £1.221m projected debt costs on the HRA. The budget assumed small incremental borrowing, but the low level of interest rates provided an opportunity to take out borrowing earlier than planned, but with a lower overall cost.
  - The HRA will benefit in the long term as the recent borrowing is at much lower interest rates of c.1.8%, compared with future borrowing rates, which are expected to be over 3.5%.
- 3.5 HRA general reserves opened the year at £4.000m and are forecast to close the financial year at £4.020m. This is equivalent to circa 1 month of forecast tenant rent and reflects best practice.

Table 7 HRA Forecast Reserves Balance at month 6

HRA reserves	B/Fwd	C/Fwd
--------------	-------	-------

	£'000	£'000
HRA Reserve	(4,000)	(4,020)
Major Repairs Reserve	(6,849)	(2,000)
<b>HRA Reserves</b>	<b>(10,849)</b>	<b>(6,020)</b>

### Dedicated Schools Grant (DSG)

- 3.6 The DSG budget will be updated as the DfE announce further updates to allocations. For month 6, the forecast position for the DSG is an underspend of £1.499m.
- 3.7 This is due to underspend within the growth fund where the latest figures provided to finance have indicated there is likely to be little call on the growth fund this year.
- 3.8 Despite a large allocation increase for the High Needs Block there is still an overspend projected of £1.242m. This is due to the estimated increase in new Education and Health Care Plans (EHCP's) of 28% compared to 20% last year and placements in independent settings. This is an early estimate of the projected overspend and more accurate figures will be known in September once latest EHCP numbers are confirmed.
- 3.9 Work will be taking place in the year to look at a 3-year forecast for high needs to identify whether the new increased funding from the DfE is sufficient for the anticipated levels of demand. This work will also include a forecast on the growth fund following potentially 2 years of large underspends.

Table 7 Forecast DSG budget position at month 6

Dedicated Schools Grant	20/21 Outturn	Budget	Month 6 Forecast Outturn	Month 6 Forecast Variance
	£000	£'000	£'000	£'000
<b><u>Expenditure</u></b>	-			
<b>Schools:</b>				
- Individual Schools Budget	142,772	150,222	150,222	0
- ESG retained funding	1,054	700	700	0
- Growth Fund	302	2,814	73	(2,741)
- Central schools expenditure	1,121	2,193	2,193	0
<b>Sub-total</b>	<b>145,249</b>	<b>155,929</b>	<b>153,188</b>	<b>(2,741)</b>
Early Years Block	29,332	30,189	30,189	0
High Needs Block	51,233	55,270	56,512	1,242
<b>Sub-total</b>	<b>80,565</b>	<b>85,459</b>	<b>86,701</b>	<b>1,242</b>
<b>Total</b>	<b>225,814</b>	<b>241,388</b>	<b>239,889</b>	<b>(1,499)</b>
<b><u>Income</u></b>				
DSG Income	(227,249)	(241,387)	(241,387)	0
<b>Total</b>	<b>(227,249)</b>	<b>(241,387)</b>	<b>(241,387)</b>	<b>0</b>
<b>Net DSG 21/22</b>	<b>-1,436</b>	<b>0</b>	<b>-1,498</b>	<b>-1,499</b>

## Public Health Grant

- 3.10 The ringfenced public health grant (£17.817m) is forecast to spend to budget pending a review of demand led contracts (which underspent last financial year). Any year end underspend will be carried to the Public Health ring fenced reserve. (NB – this reflects the ringfenced grant received pre-pandemic only; targeted grants – such as ‘test and trace’ are reported in section 2 as part of the Covid-19 spending.)
- 3.11 This report is prepared using the confirmed value of the grant which includes the inflationary increase of £0.341m.

Table 8a Public Health Grant forecast

Public Health Grant	2021/22 Budget	2021/22 Forecast	Covid 19 impact	2021/22 Forecast excl C19	Variance
	£000	£000	£000	£000	£000
Public Health services (PH grant funded)	17,817	17,817	0	17,817	0
Public Health Services	17,817	17,817	0	17,817	0

- 3.12 The Public Health Grant Reserve is currently £1.901m, there is currently no forecast top-up or draw down during this financial year.

Table 8b Public Health Grant Reserve forecast

Reserves use	brought forward	forecast carry forward
	£000	£000
Public Health reserve	1,901	1,901

## Special Parking Account (SPA)

- 3.13 Income received from parking charges is paid into a Special Parking Account (SPA) to comply with legislative requirements. Any surplus is appropriated into the General Fund at year end. The act requires any surplus to be spent on specified traffic and highways management objectives. Table 9 below illustrates the forecast outturn position for the SPA and the estimated appropriation to the general fund. It shows that budgeted net receipts are £16.8m, but that the current forecast is for only £13.6m of receipts to be achieved.
- 3.14 The forecast losses arising from this underachievement of income amount to £3.089m, which can be recovered from one-off C19 funding (shown elsewhere in this report). Planning is in hand to identify the likely level of future receipts and what mitigations the service can apply to reduce the projected income gap in future years. The losses of c£3m equate to an anticipated overall position whereby income from car parking receipts is c£13.6m, or approximately 82% of budget. This will continue to be reviewed as the year progresses – current indications are that there may still be some further improvement in the remainder of the year (the forecast is based on the assumption that there is no further deterioration).

Table 9 SPA Forecast

SPA Accounts	2021-22 Budget	Estimated 2021-22 Outturn		
	£'000	£'000	£'000	£'000
Income	Budgeted SPA Account	M6 Forecast Excluding Covid-19	M6 Funded Covid-19 losses	M6 Forecast Outturn
Penalty Charge Notices	(16,275)	(12,945)	(2,636)	(15,581)
Residents Permits	(3,020)	(3,232)		(3,232)
Pay & Display	(3,990)	(3,325)	(453)	(3,778)
CCTV Bus lanes	(370)	(1,064)		(1,064)
<b>Total Income</b>	<b>(23,655)</b>	<b>(20,566)</b>	<b>(3,089)</b>	<b>(23,655)</b>
<b>Operating Expenditure (running costs)</b>	<b>6,841</b>	<b>7,011</b>		<b>7,011</b>
Net Operating Surplus	<b>(16,814)</b>	<b>(13,555)</b>	<b>(3,089)</b>	<b>(16,644)</b>
<b>Appropriation to General Fund</b>	<b>(16,814)</b>	<b>(13,555)</b>	<b>(3,089)</b>	<b>16,644</b>

## 4 Capital Programme

4.1 The revised 5 year capital programme was approved by Policy and Resources Committee in September. The revised programme by year, and by funding source, is set out below.

Table 10a 5-year capital programme - expenditure

Theme Committee – spending	2021-22	2022-23	2023-24	2024-25	2025-26	Total
	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	5,611	4,602	4,344	2,765		17,322
Housing and Growth (Brent Cross)	134,126	36,609	43,425			214,160
Housing and Growth (Other)	112,266	74,395	60,626	50,967	19,649	317,903
Children, Education & Safeguarding	16,338	19,427	5,514			41,279
Community Leadership and Libraries	708	200	200			1,108
Environment	24,315	10,961	8,060	6,383		49,719
Policy & Resources	22,884	2,476	600	600		26,560
<b>Total - General Fund</b>	<b>316,247</b>	<b>148,671</b>	<b>122,770</b>	<b>60,715</b>	<b>19,649</b>	<b>668,051</b>
Housing Revenue Account	71,597	73,567	42,108	55,821	45,335	288,429
<b>Total - All Services</b>	<b>387,844</b>	<b>222,238</b>	<b>164,878</b>	<b>116,536</b>	<b>64,984</b>	<b>956,480</b>

Table 10b 5-year capital programme - funding

Theme Committee - funding	Grants	S106	Capital Receipts	RCCO/ MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	12,439	417	90		3,997	379	17,322
Housing and Growth (Brent Cross)	200,281		900			12,979	214,160
Housing and Growth (Other)	53,537	8,703	15,121	491	15,035	225,016	317,903
Children, Education & Safeguarding	38,722	2	342		406	1,805	41,279
Community Leadership and Libraries					730	378	1,108
Environment	687	4,095	428		7,868	36,641	49,719
Policy & Resources	1		1,108		5,000	20,451	26,560

<b>Total - General Fund</b>	<b>305,667</b>	<b>13,218</b>	<b>17,988</b>	<b>491</b>	<b>33,036</b>	<b>297,650</b>	<b>668,051</b>
Housing Revenue Account	19,992		3,352	78,823		186,262	288,429
<b>Total - All Services</b>	<b>325,660</b>	<b>13,218</b>	<b>21,340</b>	<b>79,314</b>	<b>33,036</b>	<b>483,912</b>	<b>956,480</b>

- 4.2 The capital forecast outturn for the current year is £350.084m, of which £278.146m relates to the General Fund programme and £71.938m relates to the HRA capital programme.

Table 11a Current Financial Year Forecast Capital Outturn

Service Area	2021/22 Budget	Additions/ (Deletions)	(Slippage)/ Accelerated Spend	2021/22 Forecast	Variance from Approved Budget
	£000	£000	£000	£000	£000
Adults and Health	5,411	0	(409)	5,002	(409)
Children's Family Services	17,046	0	(2,755)	14,338	(2,708)
Growth and Corporate services	131,684	0	(32,545)	99,138	(32,545)
Environment	27,414	0	(1,417)	25,997	(1,417)
Brent Cross	134,126	0	(1,022)	133,104	(1,022)
Resources	567	0	0	567	0
<b>General Fund Programme Total</b>	<b>316,246</b>	<b>0</b>	<b>(38,147)</b>	<b>278,146</b>	<b>(38,100)</b>
HRA	71,597	1,248	(908)	71,938	341
<b>Grand Total</b>	<b>387,844</b>	<b>1,248</b>	<b>(39,055)</b>	<b>350,084</b>	<b>(37,760)</b>

- 4.3 The key variance since updating the programme overall is the in-year slippage in Growth and Corporate services of £32.545m. This will be carried into next year and is related to the strategic opportunities fund (see below for further details).

### Funding of the Capital Investment Programme

- 4.4 The composition of capital funding in the current year 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 11b Funding the Capital Programme 2021/22

Service Area	Grants/ Other contributions	S106	Capital Receipts	Revenue/MRA	CIL	Borrowing	Total
Adults and Health	3,116		90		1,417	379	5,002
Children's Family Services	12,842		87		505	904	14,338
Growth and Corporate services	5,572	998	7,046	491	3,480	81,550	99,138
Environment	1,020	3,446	325		9,018	12,189	25,997
Brent Cross	131,395					1,709	133,104
Resources		567					567
<b>General Fund Programme</b>	<b>153,945</b>	<b>5,011</b>	<b>7,548</b>	<b>491</b>	<b>14,420</b>	<b>96,731</b>	<b>278,146</b>
HRA	4,557		3,243	26,716		37,422	71,938
<b>Total Capital Programme</b>	<b>158,502</b>	<b>5,011</b>	<b>10,791</b>	<b>27,207</b>	<b>14,420</b>	<b>134,153</b>	<b>350,084</b>

4.5 Brent Cross – The current 2021/22 position for the overall scheme is £1.022m under budget. The overall programme has acknowledged potential inflationary pressures due to the impact of Covid. At present a detailed risk register is maintained within the service which includes pressures and efficiencies. As and when these crystallise they will be included in the forecast as appropriate. A detailed review is being undertaken across all areas of the project which will be reported to the Governance Assurance Board in October. This update will address any cost pressures and mitigations as required. Please note below the revised scheme sub-titles which have been updated to align to the monthly BX Housing & Growth update.

- Land Acquisitions – (previously reported as Funding for Land Acquisitions) 2021/22 is forecasting accelerated expenditure of £0.337m from the 2022/23 budget. The forecast at M6 has increased by £0.135m in-year due to updated legal fees in line with the latest Gowlings tracker. The remaining £0.202m relates to an increase in the forecast between M4 and M5 budget realignment. This forecast expenditure will be accelerated from the 2022/23 budget when required. The overall scheme is currently shown on budget.
- Brent Cross West Station – (previously reported as Thameslink Station) 2021/22 is forecasting reprofiling of £0.258m into future years.
- Critical Infrastructure – 2021/22 is forecasting reprofiling of £1.138m into future years following changes in three sub-programme packages.
- BXT Land Acquisitions – (previously reported as BXS Land Acquisitions) is forecasting accelerated expenditure of £0.037m from the 2022/23 budget.

4.6 Growth and Corporate Services – At month 6, Growth and Corporate Services are forecasting a £32.545m underspend against the £131.684m capital programme budget in the current year. This is primarily due to:

- The Strategic Opportunities Fund. The £24.7m budget has been re-profiled into 22/23 and is a rolling fund set annually to take advantage of key strategic opportunities. This is a facility that allows us to make short-notice acquisitions in support of housing development where the opportunity arises. Nothing has been committed for 21/22 at present.
- Slippage of £1.224m in the Development Portfolio, due to opportunities not materialising this year, and £1.75m in Town centres due to planning and construction delays.
- £1.301m slippage in The Burroughs, Hendon due to a delayed property acquisition, where completion will now occur in 2022/23. This will be monitored and may be brought forward to this financial year.
- £2.846m slippage in Re Capital projects.

4.7 Children's and Family Service – At Month 6, the overall position of the capital budget for the full year is an underspend of £2.708m. The main reasons for this variance at M6 are listed below:

- £1m slipped for the Grammar School project. This is a scheme managed by the Grammar school. School in discussion with DfE and contractors regarding scheme costs and profile. School are seeking to gain additional funds from DfE to fund programme before changing scope. Scheme is delayed as a result.
- £1m is being slipped for Saracens primary school project. This is a scheme managed by Saracens School. The team are in conversation with the DfE regarding the Land deal. The discussions between LA and school for the land are ongoing and project timelines are still to be confirmed. Construction is not expected to commence this FY



- £0.437m slipped for Modernisation. The reason for the slippage is due to planning delays for a large scheme within the programme. The delay has resulted in construction delays; therefore, the scheme is not expected to be completed this FY.
- £0.288m slipped for Broadfield's SEN programme. The reason for the slippage is due to planning delays. The delay has resulted construction delays; therefore, the scheme is not expected to be completed this FY.
- £0.017m accelerated across various schemes within the programme

4.8 Adults and Safeguarding – The Adults and Safeguarding Capital budget for 2021-22, is forecasting a slippage against the budget at period 6, details are as follows:

- The leisure centres project forecast at month 6 is £0.132m and retention payment have been released for the two sites. There is some slippage of £0.409m against the budget and is due to anticipated works on the Playing Fields, which is to take place next year.
- Mosaic 'Investing in IT' budget funds the continuation of phase 2 and is expected to be fully spent.
- Community Equipment spend is incurred in revenue initially, current levels indicate that relevant spend is line with previous years. Spend continues to be monitored.
- Disabled Facilities Grant – forecast to budget spend being reviewed. Slippage from 2020/21 has been profiled over the next two financial years. Awaiting news on any potential DFG grant change later this year.

4.9 Environment – At Month 6 Environment is forecast to spend to £25.977m against budget with £1.417m slippage. Re Environment is forecast £1,417m of slippage as Colindale and Rushgrove Parks Works is expected to slip into future years. The project is Co-ordinated by the Environment Agency and Thames Water and a decision on how this will proceed will be taken in February 2022.

4.10 Resources – The capital programme for Resources is forecast to spend to budget in 2021/22.

### HRA Capital Investment

4.11 The HRA has a capital investment budget of £71.598m in 2021/22, a budget that was recently realigned and reprofiled following the agreement and approval of the 30-year HRA business plan by H&G and P&R committees in June and re-aligned at September P&R.

4.12 The position reported at Month 6 is a £0.340m adverse variance from budget. This includes £1.298m slippage, with £1.637m net additions. The slippage consists of:

- Dollis Valley (£0.200m) – Due to expected completion of the development. The budget is to purchase units for displaced residents in new developments.
- Regeneration (£0.390m) and Voids and Lettings (£0.708m) to match the spend profile of programmes.

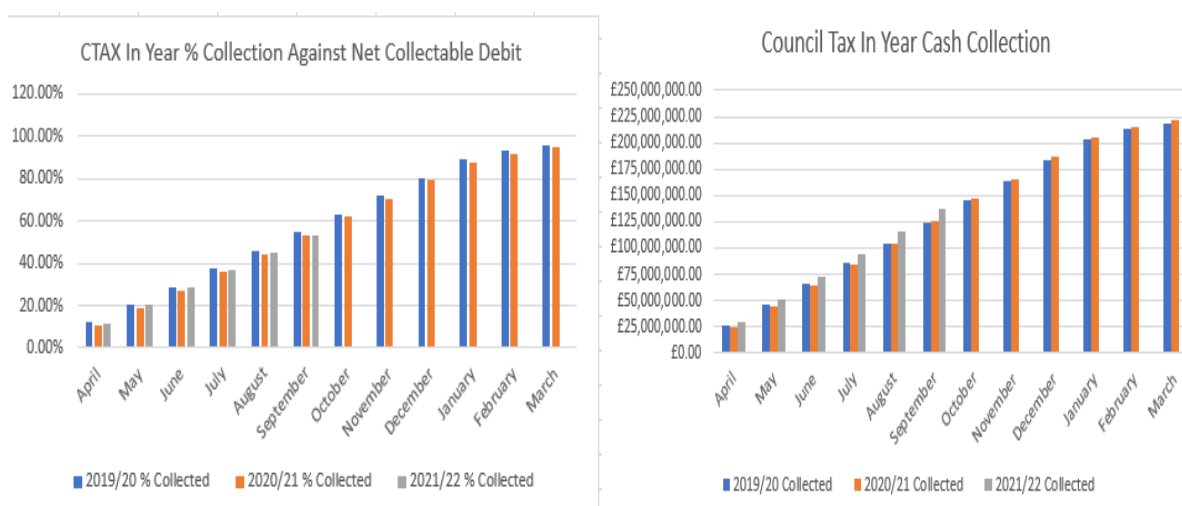
4.13 The addition of £1.637m miscellaneous repairs is the result of higher-than-normal roofing and structural repairs expected to be incurred this financial year.

## **5 Revenues and Sundry Debt**

### Council Tax

5.1 The council's budget plan for 2021/22 assumes the collection of £198m of Council Tax. Overall collection continues to improve compared to last year and the budget target is expected to be achieved.

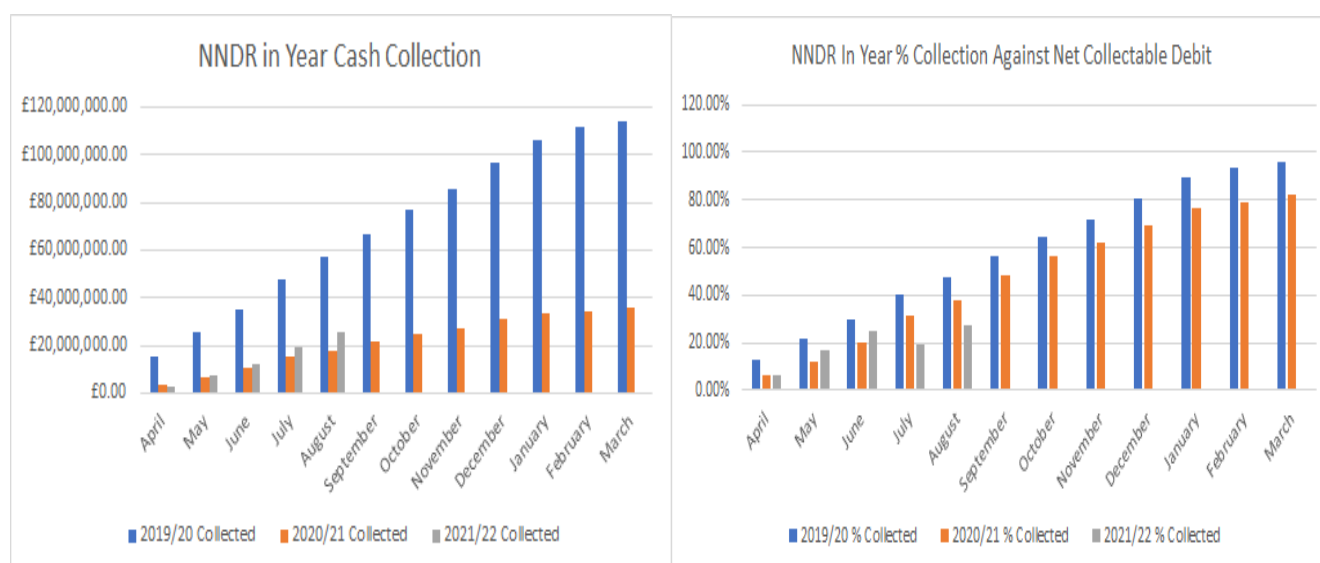
- 5.2 Current collection is 53.57%, which is 0.27% more than the same point last year (pandemic), but 0.95% lower than the same point in the previous year (pre-pandemic). In cash terms, current collection levels are £11.2m higher than last year and £12.1m higher than September 2019 (pre - pandemic) – this is due in part to annual increases in both the council tax base and the household charge over two budget cycles.
- 5.3 Two factors contributing to current collection being lower than pre-pandemic levels are:
- 4,609 more households are now on 12 monthly instalment plans having extended payment plans to include February and March. Previously, the most common payment plan was 10 monthly payments from April to January. This has altered the payment profile for these households but has not adversely impacted the overall collection rate. It is expected that the 98.5% collection budgeted for will be achieved.
  - July 2021 saw the first current year summonses issued for non-payment of current year Council Tax. This is due to an additional reminder the council introduced during the pandemic which ended at the end of July 2021 in line with the release of most national restrictions. The recovery schedule has now returned to pre-pandemic operations and summonses for Council Tax are up to date. It is envisaged the result of the liability hearings now being up to date will see increased payments made as part of payment arrangement plans created.
- 5.4 There has been an underlying recovery impact from COVID-19 in Council Tax, however the council's tax base has improved through additional completions to Month 6 and there is not expected to be a pressure on the Collection Fund. Council Tax Support numbers have reduced slightly from previous months' and are now forecasting to be £0.092m above budget. These favourable movements allow the Council to release £3.500m of COVID-19 grants to support other recovery initiatives across the borough.
- 5.5 The charts below show the comparison of collection rates and cash values over the three years.



### Business Rates

- 5.6 The council's budget plan for 2021/22 assumes the collection of £38.7m of business rates. At the end of June 2021, the 100% Expanded Retail Discount ceased and this means that the council now has more to collect from businesses. The forecast collection of £35.8m has not changed.

- 5.7 62% of eligible businesses have applied for the 66% NNDR relief available from 01 July. The council has determined that for those eligible businesses yet to apply, the discount can be applied automatically with an opt-out mechanism. Not all will receive the discount as certain classes of hereditament may breach subsidy limitation rules (this is similar to the former State Aid limitations).
- 5.8 Overall, it is expected that there will be a need for £2.9m of support to be claimed from the C19 grants unapplied for losses in business rates collection. (This is included in the C19 spending estimates set out in section 2, above.)
- 5.9 In cash terms, the council is £13.8m above the position 12 months ago but £31.6m below the position 24 months ago (pre-pandemic).
- 5.10 Two of the areas identified that have contributed to collection being less than 2019/20 are:
- Additional work created due to business support grants has impacted both the ability of the business rates team to improve collection and also the ability of businesses to make payments. CSG Revenues and Benefits have outlined plans for the recovery of business as usual and work is now underway to deliver this.
  - Business Rates are yet to summons during 2021/22. The recovery process is recommencing in October and the first liability hearing will be held on 25 January 2022.



### Emergency financial support for residents

- 5.11 Emergency support is in the form of Discretionary Housing Payments, Discretionary Council Tax Discounts and Crisis Fund payments.
- DHP has seen a 29% decrease against last year (pandemic), it remains 9% above the previous year (pre-pandemic). The council has received a higher allocation than pre-pandemic and are forecasting £2.4m expenditure, this is in line with anticipated government funding.
  - Discretionary Council Tax Discounts (Section 13A payments) are seeing a 35.80% increase against September 2020, due to fewer requests early in the pandemic. There is greater knowledge and understanding of the availability driving demand.
  - Crisis Fund has seen a 53% increase against last year as there were fewer requests early in the pandemic. The main driver for the crisis fund increase is owing to the

relaxation of the eligibility/entitlement requirements within the council's policies. At the time of writing this report the relaxation of policy ended 30 September 2021 however this is under further review with consideration to extending until 31 March 2022.

### Court Costs

- 5.12 Court costs awarded and collected have significantly increased compared to 2020/21 however remain slightly down on 2019/20. August 2021 was 10% down on August 2019. September 2021 was 1% down on September 2019. This was as anticipated as a result of the backlog of liability orders being cleared. Current forecasts suggest the budget income target of £1.689m will be achieved.
- 5.13 Court costs collected 30 September are £630,975. This is 404% up on 2020/21 owing to the freeze on both recovery and enforcement action for non-payment at this point in 2020 as of the council's pandemic response. In comparison to the pre covid year of 2019/20 we are however 13% down owing to the service still recovering from the recovery freeze. This is a 14% decrease on August 2021.

### Housing Benefit Overpayments

- 5.14 Housing Benefit Overpayment Collection continues to increase. The cumulative 2021/22 collection figure at 30 September 2021 is £1,340,395. This is a 98.35% increase on the same period last year (£675,780), and a 54% increase on the same period in 2019 - pre-pandemic, (£873,022).
- 5.15 Current forecasts suggest the budget income target of £2.159m will be achieved.

### Sundry Debt

- 5.16 Between August 2021 and September 2021 overall debtors increased by £1.079m. An aged analysis of debtors as at the 30 September 2021 is provided below at Table 12. It should be noted that this information is a snapshot as at that date and the overall position varies.
- 5.17 Overdue debtors (up to 30 days and older) as at 30 September 2021 was £27.143m a decrease of £0.835m for the same period in 2020 where the outstanding balance was £27.978m.

Table 12 Aged Debt Analysis as at 30 September 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 6	6,939	1,968	6,715	2,397	16,063	34,082
Month 5	1,910	7,992	5,819	471	16,811	33,003
<b>Movement</b>	<b>5,029</b>	<b>-6,024</b>	<b>896</b>	<b>1,926</b>	<b>-748</b>	<b>1,079</b>

- 5.18 Table 13 gives detail of the top ten individual debts by debtor, totalling £17.152m.

Table 13 Top 10 debtors as at 30 September 2021

Debtor	Total Debt	Not Overdue	Up to 30 days	30 - 60 days	60 - 90 days	Over 90 days
	£000	£000	£000	£000	£000	£000
NHS North Central London CCG	12,162	2,044	123	5,017	2,000	2,980
The Fremantle Trust	1,357	0	0	0	0	1,357
Comer Homes	993	0	0	0	0	993
Metropolitan Police Service	692	188	10	0	0	494
Barratt Metropolitan LLP	603	18	572	0	0	13
Conway AECOM Ltd	334	0	0	0	0	334
Middlesex University	312	321	0	0	0	-9
Health Education England	270	216	0	54	0	0
NHS Enfield CCG	232	23	0	17	0	192
Barnet Enfield and Haringey Mental Health Trust	197	50	40	45	40	180
<b>Total</b>	<b>17,152</b>	<b>2,860</b>	<b>745</b>	<b>5,133</b>	<b>2,040</b>	<b>6,534</b>

- 5.19 Outside of the table 13 (which shows individual debtor accounts) is a significant class of debtors which relate to adult social care placements and care packages where the client is assessed as being able to contribute to the cost of their care. At the time of preparing the report, this debt is recorded as being £12.2m. A dedicated project is in place to maximise recovery of this debt and to improve its active management. The project has worked since April 2021 to manage historic debt and has delivered £0.537m of benefit to the council to date. Additional work to understand the quantum of assessed charges, payment plans in place and clients with bad or doubtful debts is being undertaken for future reporting.
- 5.20 Significant levels of income have now been received for the older debts with North Central London CCG, and the position has improved by £11.268m from March. All invoices raised are now up to date for 2021/22. Discussions continue on the remaining debt.
- 5.21 Legal discussions with The Fremantle Trust are ongoing.
- 5.22 The Assistant Director of Estates continues discussion with HBPL regarding the Comer Homes debt.
- 5.23 Further discussions are now taking place with the Metropolitan Police following escalation to the relevant Assistant Director in Assurance for resolution.
- 5.24 Barratt Metropolitan LLP are still in discussion with the service area regarding the £0.013m over 90 days debt. £0.572m was paid in month 7 towards the other debt.
- 5.25 There are on-going final account negotiations with Conway to recover the outstanding debt, it is not yet known when will be concluded.
- 5.26 Middlesex University have sent a remittance advice for the total outstanding balance.
- 5.27 Health Education England have been sent copy invoices in month 7 as they advised they were not in receipt of the original documents.
- 5.28 Discussions are ongoing regarding the NHS Enfield CCG debt alongside the other CCG debts.
- 5.29 Barnet Enfield & Haringey Mental Health Trust paid £0.071m in month 10. The remaining balance is under discussion.

## **6 REASONS FOR RECOMMENDATIONS**

- 6.1 This report contains a summary of the Council's forecast revenue and capital outturn for the financial year 2021/22 as at Month 4 (July 2021).

## **7 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 7.1 None

## **8 POST DECISION IMPLEMENTATION**

- 8.1 None

## **9 IMPLICATIONS OF DECISION**

### **9.1 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

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

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

### **9.3 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.

### **9.4 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>

## 9.5 Risk Management

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

## 9.6 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.

#### 9.7 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.

#### 9.8 Consultation and Engagement

- None in the context of this report

#### 9.9 Insight

- None in the context of this report

### 10 BACKGROUND PAPERS

None.