	<p><b>Financial Performance &amp; Contracts Committee</b></p> <p><b>1 February 2022</b></p>
<p><b>Title</b></p>	<p><b>Chief Finance Officer Report Forecast Financial Outturn at Month 8 (November 2021)</b></p>
<p><b>Report of</b></p>	<p>Executive Director of Resources (Section 151 Officer)</p>
<p><b>Wards</b></p>	<p>All</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Urgent</b></p>	<p>No</p>
<p><b>Key</b></p>	<p>No</p>
<p><b>Enclosures</b></p>	<p>None</p>
<p><b>Officer Contact Details</b></p>	<p>Anisa Darr, Executive Director of Finance  <a href="mailto:Anisa.darr@barnet.gov.uk">Anisa.darr@barnet.gov.uk</a>          Sharon Palma, Head of Finance  <a href="mailto:Sharon.Palma@barnet.gov.uk">Sharon.Palma@barnet.gov.uk</a></p>
<p><b>Summary</b></p>	
<p>This report contains a summary of the council's revenue and capital forecast outturn for the financial year 2021/22 as at Month 8 (30 November 2021).</p> <p>The council is forecasting a broadly balanced position to the approved budget for 2021/22 on revenue, with an overspend of £4m in Adult Services offset by underspends in Growth &amp; Corporate Services and Resources.</p> <p>The council's capital programme for 2021/22 is forecasted at £350m; £0.4m less than reported to this committee at Month 6 due to slippage.</p> <p>It also contains information on the level of debt and the top 10 debtors as at 30 November 2021, and any subsequent updates the committee needs to be aware of that impact the debt position.</p>	
<p><b>Recommendations</b></p>	
<p>That the Committee notes:</p>	

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

## 1. Summary

- 1.1 The financial position for the current year continues to be marked by uncertainty, however as we get closer to the end of the financial year, the uncertainty levels are reducing and increasingly the risks and opportunities on the budget are either falling away or converting to actual costs and overspends, from a combination of the impact of Covid-19 and other pressures including inflationary increases and supply chain and distribution challenges.
- 1.2 As noted in previous reports, it remains challenging to separate the short term financial impacts from the longer term impacts.
- 1.3 The council continues to monitor all areas of income and expenditure to ensure financial sustainability and to adapt monitoring to accommodate emerging areas of concern. Ongoing pressures and opportunities are also fed into the budget setting process.
- 1.4 This report sets out the budget forecast as at month 8 and includes the 'most likely' outcomes based on current information.
- 1.5 As at month 8, the financial outturn is forecast as:
  - £0.365m use of earmarked reserves (in accordance with previous plans).
  - Balanced budget position, but with continued pressure on the Adults forecast outturn.
  - Anticipated spending of £32.327m on C19 impacts in the current year, funded by various C19 grants, with a further £9.203m earmarked for C19 impacts in future years.

## 2. Forecast Revenue outturn position at month 8

### Overview

- 2.1 The council's forecast revenue outturn position for the 2021/22 financial year as at month 8 (30th November 2021) and the current estimate of the financial impact of the Covid 19 pandemic during 2021/22 is set out in this section 2. Performance against the budget approved by Council in March 2021 is set out in table 1 and this shows that forecast net expenditure is in line with the budget, an improvement of £1.519m compared to month 6 forecasting. The Month 8 forecast outturn position is presented after applying £2.279m of earmarked reserves in Children's Services and Environment and contributions to earmarked reserves of £1.913m from Growth and Corporate Services, Assurance and Resources. These resources were previously set aside against anticipated (but not certain) future cost pressures.

Table 1: Forecast Revenue Outturn at Month 8

Service Areas	2021/22 Budget	M8 Forecast	M8 Variance	Non C19 Reserves applied	Variance after reserves	Variance M6
	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	103,032	107,084	4,052	0	4,052	(49)
Children's Family Services	73,839	74,886	1,047	(1,071)	(24)	3
Environment	11,981	13,156	1,175	(1,208)	(33)	587
Growth and Corporate services	40,313	39,283	(1,030)	768	(261)	205
Assurance	7,322	6,439	(883)	959	76	(350)
Resources	78,371	74,376	(3,995)	186	(3,809)	(1,923)

Public Health	18,244	18,247	3	0	3	3
<b>Total at Month 8</b>	<b>333,102</b>	<b>333,471</b>	<b>369</b>	<b>(365)</b>	<b>4</b>	<b>(1,523)</b>

### Non-Covid spending

- 2.2 The current forecast for non-Covid “business as usual” income and expenditure is in line with the approved budget. Table 2a provides a breakdown of the movement in the non-Covid variance as at month 8 with commentary.
- 2.3 For a number of service areas, non-Covid 19 income and expenditure remains close to planned budget levels. However, there is an upward movement in social care placement forecasts and this remains a continued risk. This is due to uncertainty over the short-term impact of C19-related demand changes in adults, and to the risk of unexpected care placements arising in children with high and/or complex needs, which would change the forecast. These risks are being held under review by the services concerned.

Table 2a: Non-Covid Spending - movement in variance from month 6 – 8

Service Areas	Month 6 non-COVID variance	Change	Month 8 non-COVID variance	Commentary
	£'000	£'000	£'000	
Adults and Health	(49)	4,100	4,052	<i>To better illustrate the actual position in Adults and Health the decision has been taken to reverse the previous planned reserve drawdown (£3.516m). However, if there is a continued increase (see comments below) the drawdown may be reinstated.</i>  Upward movement in placements projection. Primarily relates to an increase in 16 nursing packages, which is above previous built in assumptions, partly offset by a reduction in residential and supported accommodation costs. This variance includes settlement of a number of in year backdated charges.
Children's Family Services	3	(27)	(24)	There are multiple changes to the variances within the service, both adverse and favourable. The material adverse movements are in Children with Disabilities £0.157m due to increased agency costs and higher level of home support, Leaving Care £0.206m due increased accommodation costs for onwards and upwards clients, Youth of Team (YOT) £0.140m due to increased agency costs. Material favourable variances are in Placements £0.236m due to reduced activity. There are several other less material movements.
Environment	587	(620)	(33)	Favourable movement due primarily to contract settlement for poor contract delivery and performance within Street Lighting.

Growth and Corporate services	205	(467)	(261)	The favourable movement is mainly due to a series of one-off benefits in year. £0.108m reduction in Temporary Accommodation forecasts; £0.345m reduction in the Re Management Fee in 2020/21; £0.207m reduction in Brent Cross Revenue arising from a correction in previously issued Hammerson credit note. This is partially offset by £0.187m of cost pressure arising from lease extension inflation, estates work and planning policy costs around strategic transport and the Edgware Growth Area Supplementary Planning Document (SPD)
Assurance	(350)	426	76	£0.579m backdated HBPL profit share agreement income previously forecasted in Assurance, will now be moved to general reserves; £0.035m pressure in Assurance and Business Development, mainly due to icasework licencing and implementation. Offset by: £0.116m favourable movement in Internal Audit due to a decrease in payments to PwC (£0.097m) and additional income from Capita £0.023m £0.057m favourable movement in Governance, mainly due to staffing vacancies; £0.018m additional grant in Electoral services.
Resources	(1,923)	(1,886)	(3,809)	Underspend of £0.130m in staffing budget due to vacancies Underspend of £1.036m in NLWA levies due to less waste being delivered to NLWA than budgeted. Underspend of £0.805m in Early retirement for teachers
Public Health	3	0	3	
	(1,523)	1,527	4	

2.4 Car parking losses continue to be a source of concern, but as at month 8 receipts have reached c. 80% - 85% of pre-pandemic levels. The forecast remains relatively neutral and does not assume further improvement or significant deterioration. However, this is being closely monitored and may change following the introduction of Plan B Covid 19 restrictions in December. Probable outcomes are being worked through and will be reported back to committee in M10 in March.

2.5 The main change in the forecast from previous months is further underspend in Resources driven by a reduced forecast for NLWA levies of £1.036m and of £0.805m in early retirement costs for teachers. This, in addition to underspends elsewhere, offsets a reversal of previous reserves applied to Adults and Health of £3.516m.

#### Application of Reserves

2.6 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 usually held by specific services, while general reserves are held corporately.

2.7 This report sets out anticipated use of or top up of earmarked service reserves. The table below provides further detail.

Table 3 Forecast use of or top-up of reserves at Month 8

Service Areas	Forecast (drawdown)/top-up to reserves	commentary
	£'000	
Adults and Health	0	Previously planned reserve drawdown of £3.516m not required at this time and remains under review
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 (newly qualified) Social worker recruitment (£0.280m) b) international recruitment (£0.056m) c) Remainder (0.259m) is various others including youth perception survey, research, specific training and insight staffing
Environment	(1,208)	Green spaces and leisure drawdown due to Tree Planting programme £0.612m, Pleasant Parks programme £0.500m and Sustainability Expertise and Data Collection (Barnet Plan) £0.096m
Growth and Corporate services	768	£0.388m transfer to the Brent Cross Retail Park reserve. £0.707m top up for Flexible Homelessness Support Grant (FHSG) and other grants which will fund qualifying expenditure in future years. Offset by: £0.257m drawdown for the Strategic Contract Review. £0.070m Digital Smart Cities drawdown from the Sustainable Infrastructure Enabling fund.
Assurance	959	£0.791m top up of income from the legal gain-share received in this financial year. £0.138m top-up to the elections reserve to fund the local elections in May 2022. £0.015m Top up for the Mayoral Car. £0.015m Top up for Internal Audit Cross Council Assurance Service (CCAS) income to fund future year commitments.
Resources	186	£0.015m Grants Awarded £0.201m contribution to reserves was incorrectly Previously forecasted contribution to reserves was incorrect and has been reversed.
<b>Total</b>	<b>(365)</b>	

### Savings

- 2.8 The budget for 2021/22 includes planned savings of £10.590m. The forecast set out in table 1 includes the achievement of 82% of this target (£8.731m) as shown in table 4.
- 2.9 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.
- 2.10 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.

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 30/11/2021	(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	4,036	100	2.42%	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>8,731</b>	<b>1,859</b>		<b>2,458</b>	<b>2,458</b>	<b>0</b>	
<b>Percentages</b>	<b>100.00%</b>	<b>82.45%</b>	<b>17.55%</b>		<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	

### Covid-related spending

2.11 Based on latest information, it is estimated that spending on activity related to Covid-19 will amount to £32.327m in the current year. £9.203m (c. 23%) of available funding is not yet formally committed – 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.

Table 5: Summary of Covid-19 related funds and associated spending plans at month 8

Service Areas C19 at Month 8	C19 forecast	comment
spending	£'000	
Adults and Health	16,167	Specific Grant funding for Infection Control , Rapid Testing, Clinically Extremely Vulnerable, Workforce Capacity and Local Support Grant (£7.790m) 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 increased payments to support families' needs as a result of 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	4,336	Loss of parking income - fees and charges (£3.594m); Loss of commercial waste income (£0.312m); Refuse agency costs required for additional vehicle cleaning (£0.188m) and PPE & Sanitisation (£0.242m)
Growth and Corporate services	3,246	Increased temporary accommodation demand (£0.443m), Re Guaranteed Income shortfall (£1.026m), Employment and skills staffing and support and Entrepreneurial and Training programmes (£0.200m), print contract reimbursement (£0.130m), staff diverted from standard duties (£0.159m), CSG Procurement Volumes increases and other £0.080m ,Town Centre redevelopment (£0.191m), re-opening of high streets safely (£0.492m), Strategy and Communications priorities (£0.304m) and Maximising the 0365 roll out benefit (£0.120m)

Assurance	1,287	Enforcement team relating to COVID-19 street patrols and Fixed Penalty Notices (FPN) (£0.813m); staff diverted from standard duties, including patrol officers (£0.175m), Emergency responders (£0.039m); Anti-Fraud officers investigating COVID-19 grant and business fraud (£0.120m). £0.050m Loss of Fixed Penalty income (£0.050m), £0.040m Uniform, kit and training for Enforcement staff and £0.050m IT systems.
Resources	338	Discretionary test and trace
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 grants
<b>Planned spending in CFY 21/22</b>	<b>32,327</b>	
<i>Earmarked for next year</i>	9,203	<i>Mental health support in schools and supporting young people into employment (£1.8m)</i> <i>£0.5m covid recovery grant for schools</i> <i>£0.9m adults prevention support and £1m staff resourcing support</i> <i>£1.2m earmarked against future temporary accommodation pressures</i> <i>£2.9m anticipated business rates losses</i>
<b>C19 costs as at Month 8</b>	<b>41,530</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 £8.4m 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	14,286	Other funding available in 2021/22, including extensions on Track and Trace, COMF, CEV etc.
<b>Known funding at Month 6</b>	<b>41530</b>	

## Risks and opportunities

2.12 In preparing the report for month 8, a number of overall (corporate) and service-specific risks have been identified. These are set out below.

- .
- 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. Whilst there is a level of liability built into the forecasts to cover pressures over winter, demand could exceed expectations.
- 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 continuing to see 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 Controlled Parking Zone (CPZ) Programme as mitigation. However, the CPZ programme of £0.500m is at risk due to non C19 delays in the rollout of the programme. The latest forecast indicates that this is unlikely to be achieved but may be partly mitigated by the benefits of Rebanding.
- Growth and Corporate Services
  - Further costs arising from the Brent Cross project which cannot be capitalised.
- Corporate
  - Inflation risks continue to be discussed in the media. This is an area that is under review and is informing both in-year forecasting (and future budget projections) 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, however this may stall in light of the recent government announcement as a result of the rise in cases of Omicron, the new Covid variant

### Budget changes

2.13 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 (£0.687m together) plus the release of a provision of £0.397m against collection fund losses spread over 3 years included in the March budget but now funded from C19 resources brought forward.

### Reserves

2.14 Based on the paragraphs above, the forecast reserves balances at year-end are shown in table 6 (below).

2.15 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.

2.16 It is expected that service reserves are to be used to the value of £0.365m and £4.621m 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 spent in 2021/22, and the estimated use in future years – see also section 2 above).

- 2.17 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 was difficult to estimate with confidence, but updated monitoring anticipates the use of £21.635m to be used in this year and the remainder across future years.. The designated area/safety net receipts are being retained against future fluctuations in rates received, but also remain subject to some discussion over the council's ability to retain them, as we await final business rate tax income guarantee (TIG) guidance from the Department of Levelling Up, Housing and Communities (DLUHC) for 2020/21 in relation to the pan-London pool.
- 2.18 Overall, reserves brought into the year amount to £143.742m. It is expected that £26.621m of this will be used in the year (chiefly in support of losses relating to business rates), leaving an estimated carry forward of £117.122m. (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 8

Reserve Movements	Balance Brought Forward	net change	Resulting balance
	£000s	£000s	£000s
Revenue Reserves - non-earmarked	39,433	0	39,433
Revenue Reserves - earmarked (non-Covid-19)	30,145	(365)	29,780
<b>Total Revenue Reserves</b>	<b>69,577</b>	<b>(365)</b>	<b>69,213</b>
Revenue Grant - unapplied (Covid-19, general fund)	13,824	(4,621)	9,203
Revenue Grant - unapplied (Covid-19, collection fund - general reliefs)	31,419	(21,635)	9,784
Revenue Grant - unapplied (Covid-19, collection fund - s31 safety net)	12,855	0	12,855
<b>Grant unapplied</b>	<b>58,098</b>	<b>(26,256)</b>	<b>31,842</b>
<b>Total Revenue Reserves &amp; Grant Unapplied</b>	<b>127,675</b>	<b>(26,621)</b>	<b>101,055</b>
Capital Reserves	16,067	0	16,067
<b>Total All</b>	<b>143,742</b>	<b>(26,621)</b>	<b>117,122</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.
- 3.2 At month 8, the HRA is forecasting a £0.020m surplus in line with the budget which is after a voluntary expenditure contribution to capital of £1.801m
- 3.3 Excluding capital charges and depreciation, the controllable element of the HRA is projected to achieve a surplus of £14.023m, against a target of £14.243m, leaving a projected deficit to the target of £0.200m. The projected movement from the last report is a favourable movement of £0.090m. This is due to an increase in Dollis Valley regeneration income following additional billing charged to the developer this year.
- 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.

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 Department for Education (DfE) announce further updates to allocations. For month 8, the forecast position for the DSG is an underspend of £1.715m.

3.7 This is due to a forecast underspend of £2.741m 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 to the High Needs Block and a recent receipt of £0.258m there is still an overspend projected of £1.026m. 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.

3.9 Work will be taking place in the new 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.

	20/21 Outturn	Budget	Month 8 Forecast Outturn after reserves	Month 8 variance after reserves	Month 6 non- COVID variance	In-Month change
	£000	£'000	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>						
<b>Schools:</b>						
- Individual Schools Budget	142,772	150,222	150,222	0	0	0
- ESG retained funding	1,054	700	700	0	0	0
- Growth Fund	302	2,814	73	(2,741)	(2,741)	0
- Central schools expenditure	1,121	2,193	2,193	0	0	0
<b>Sub-total</b>	<b>145,249</b>	<b>155,929</b>	<b>153,188</b>	<b>(2,741)</b>	<b>(2,741)</b>	<b>0</b>
Early Years Block	29,332	30,189	30,189	0	0	0
High Needs Block	51,233	55,270	56,554	1,284	1,242	42
<b>Sub-total</b>	<b>80,565</b>	<b>85,459</b>	<b>86,743</b>	<b>1,284</b>	<b>1,242</b>	<b>42</b>
<b>Total</b>	<b>225,814</b>	<b>241,388</b>	<b>239,931</b>	<b>(1,457)</b>	<b>(1,499)</b>	<b>42</b>
<b><u>Income</u></b>						

DSG Income	(227,249)	(241,387)	(241,645)	0	0	0
<b>Total</b>	<b>(227,249)</b>	<b>(241,387)</b>	<b>(241,645)</b>	(258)	<b>0</b>	(258)
<b>Net DSG 21/22</b>	<b>(1,436)</b>	<b>0</b>	<b>(1,714)</b>	<b>(1,715)</b>	<b>(1,499)</b>	<b>(216)</b>

### Public Health Grant

- 3.10 The ringfenced public health grant of £17.817m is forecast to spend to budget pending a review of demand led contracts (which underspent last financial year). Any year end variance will be managed through 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 7 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
<b>Public Health Services</b>	<b>17,817</b>	<b>17,817</b>	<b>0</b>	<b>17,817</b>	<b>0</b>

- 3.12 The Public Health Grant Reserve balance is currently £1.901m. no draw down or top up of the reserve is expected during this financial year.

Table 8 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 after adjustment is £14.1m against the current forecast of £10.4m of receipts to be achieved.

Table 9 SPA

SPA Accounts	2021-22 Budget	Estimated 2021-22 Outturn		
	£'000	£'000	£'000	£'000
	Budgeted SPA Account	M8	M8	M8
Forecast Excluding Covid-19		Funded Covid-19 losses	Forecast Outturn	
Penalty Charge Notices	(16,275)	(10,059)	(2,952)	(13,011)
Residents Permits	(3,020)	(3,332)		(3,332)
Pay & Display	(3,990)	(3,250)	(428)	(3,678)
CCTV Bus lanes	(370)	(1,034)	0	(1,034)
<b>Total Income</b>	<b>(23,655)</b>	<b>(17,675)</b>	<b>(3,380)</b>	<b>(21,055)</b>
Budget Income Adjustment	2,600	0	0	0
<b>Total Income after adj.</b>	<b>(21,055)</b>	<b>(17,675)</b>	<b>(3,380)</b>	<b>(21,055)</b>
<b>Operating Expenditure (running costs)</b>	<b>6,961</b>	<b>7,268</b>		<b>7,268</b>
Net Operating Surplus	<b>(14,094)</b>	<b>(10,407)</b>	<b>(3,380)</b>	<b>(13,787)</b>
<b>Appropriation to General Fund</b>	<b>(14,094)</b>	<b>(10,407)</b>	<b>(3,380)</b>	<b>(13,787)</b>

3.14 The forecast losses arising from this underachievement of income amount to £3.380m, which can be recovered from one-off C19 funding (shown elsewhere in this report). This will continue to be reviewed as the year progresses and in light of the government announcement in December regarding Plan B restrictions.

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.

#### 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.

Theme Committee - spending	2021-22	2022-23	2023-24	2024-25	2025-26	Total
	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	4,638	4,700	4,221	3,762		17,322
Housing and Growth (Brent Cross)	138,975	31,109	49,508			219,592
Housing and Growth (Other)	77,663	106,280	62,393	51,919	19,649	317,903
Children, Education & Safeguarding	13,687	18,081	9,510			41,279
Community Leadership and Libraries	708	200	200			1,108
Environment	21,229	14,046	8,060	6,383		49,719
Policy & Resources	20,802	4,559	600	600		26,560
<b>Total - General Fund</b>	<b>277,703</b>	<b>178,976</b>	<b>134,492</b>	<b>62,664</b>	<b>19,649</b>	<b>673,483</b>
Housing Revenue Account	71,938	76,295	42,108	55,821	45,335	291,498
<b>Total - All Services</b>	<b>349,641</b>	<b>255,271</b>	<b>176,600</b>	<b>118,485</b>	<b>64,984</b>	<b>964,981</b>

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	0	3,997	379	17,322
Housing and Growth (Brent Cross)	205,713	0	900	0	0	12,979	219,592
Housing and Growth (Other)	52,643	7,480	15,066	491	15,035	227,189	317,903
Children, Education & Safeguarding	38,723	2	342	0	406	1,805	41,279
Community Leadership and Libraries	0	0	0	0	730	378	1,108
Environment	687	4,095	428	0	7,868	36,640	49,719
Policy & Resources	1	45	1,108	0	5,000	20,406	26,560
<b>Total - General Fund</b>	<b>310,205</b>	<b>12,040</b>	<b>17,933</b>	<b>491</b>	<b>33,036</b>	<b>299,777</b>	<b>673,483</b>
Housing Revenue Account	19,992	701	3,352	78,434	0	189,019	291,498
<b>Total - All Services</b>	<b>330,197</b>	<b>12,741</b>	<b>21,285</b>	<b>78,925</b>	<b>33,036</b>	<b>488,795</b>	<b>964,981</b>

4.2 The capital forecast outturn for the current year is £349.641m, of which £277.703m relates to the General Fund programme and £71.938m relates to the HRA capital programme.

Table 10 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	(826)	4,585	(826)
Children's Family Services	16,716	0	(2,650)	14,065	(2,650)
Assurance	330	0	0	330	0
Growth and Corporate services	131,684	0	(35,268)	96,415	(35,268)
Environment	27,414	0	(4,649)	22,765	(4,649)
Brent Cross	134,126	0	4,849	138,975	4,849
Resources	567	0	0	567	0
<b>General Fund Programme Total</b>	<b>316,246</b>	<b>0</b>	<b>(38,544)</b>	<b>277,703</b>	<b>(38,544)</b>
HRA	71,597	1,248	(908)	71,938	341
<b>Grand Total</b>	<b>387,844</b>	<b>1,249</b>	<b>(39,452)</b>	<b>349,641</b>	<b>(38,203)</b>

4.3 The key variance since updating the programme overall is the in-year slippage in Growth and Corporate services of £35.268m. This will be carried into next year and 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 11 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		1,000	379	4,585
Children's Family Services	12,905	2	91		175	893	14,065
Assurance					330		330
Growth and Corporate services	5,024	1,692	7,346	491	1,762	80,099	96,415
Environment	1,020	3,106	170		9,018	9,451	22,765
Brent Cross	137,259					1,716	138,975
Resources		567					567
<b>General Fund Programme</b>	<b>159,323</b>	<b>5,367</b>	<b>7,698</b>	<b>491</b>	<b>12,285</b>	<b>92,538</b>	<b>277,703</b>
HRA	4,557		3,243	26,716		37,422	71,938
<b>Total Capital Programme</b>	<b>163,880</b>	<b>5,367</b>	<b>10,941</b>	<b>27,207</b>	<b>12,285</b>	<b>129,960</b>	<b>349,641</b>

4.5 **Brent Cross** – The current 2021/22 position for the overall scheme is £4.849m over budget prior to the re-alignment virement agreed at P&R on 9 December 2021, which has aligned the forecast to the M7 detailed position. The overall programme has acknowledged potential inflationary pressures due to the impact of Covid-19. At present a detailed risk register is maintained within the service which includes pressures and efficiencies. As and when these potentially crystallise these will be included in the forecast as appropriate.

- **Land Acquisitions** – 2021/22 is forecasting a minor £0.344m increase due to revised legal fees and title cleansing costs.
- **Brent Cross West Station** – 2021/22 is forecasting a £3.038m decrease mainly due to a reduction in the risk profile related to land acquisitions within the scheme.
- **Critical Infrastructure** – 2021/22 is forecasting net accelerated expenditure of £2.295m. Property Cost Estimates and associated costs have been revised £3.430m to support the completion of land acquisitions within the scheme whilst £1.272m of works related to the Substation have been re-profiled to future years. The £0.137m balance relates to minor in-year forecast increases within Plots 53 and 54.
- **Brent Cross Town (BXT) Land Acquisitions** – 2021/22 is forecasting increased expenditure of £5.248m mainly due to Property Cost Estimate revisions. It must be noted all expenditure in the scheme is funded by BXT through the Project Agreement and CPO Indemnity Agreement. A corresponding budget addition has been approved.

4.6 **Growth and Corporate Services** – At month 8, Growth and Corporate Services are forecasting a £35.268m 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.
- Depot Relocation – slippage of £2.082m into 22/23 relating to land purchase costs materialising in 22/23, adjustments to works programmes, and rescheduling of works at the Brogan’s site.
- £2.304m 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, due to project delays.

4.7 **Children’s and Family Service** – The budget for the capital schemes in 2021/22 is £16.716m and the forecast is £14.062m. This has a variance of £2.650m. The main reasons for the underspend are listed below

- £1m slipped for Grammar School project. This is a scheme managed by the Grammar school. School in discussion with DfE and contractors regarding scheme costs and profile. Schools are seeking to gain additional funds from DfE to fund programme before changing scope. Scheme is delayed as a result.
- £0.998m 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 now in 2021/22.
- £0.454m 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 in 2021/22.
- £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 in 2021/22.
- £0.090m 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 8, details are as follows:

- The leisure centres project forecast at month 8 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, A review of recent activity data on LB Barnet spend that can be capitalised has resulted in a forecast reduction of £0.417m. This amount is to be profiled over future years’ budgets.
- Disabled Facilities Grant (DFG) – 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 8 Environment is forecast to spend to £22.765m against budget, with £4.649m 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. Other slippage includes Vehicles and Park Infrastructure West Hendon, £1.5m and £1.441m, respectively.

- 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 8 is a £0.340m adverse variance from budget. This includes £1.298m slippage, with £1.637m net additions. The slippage consists of:

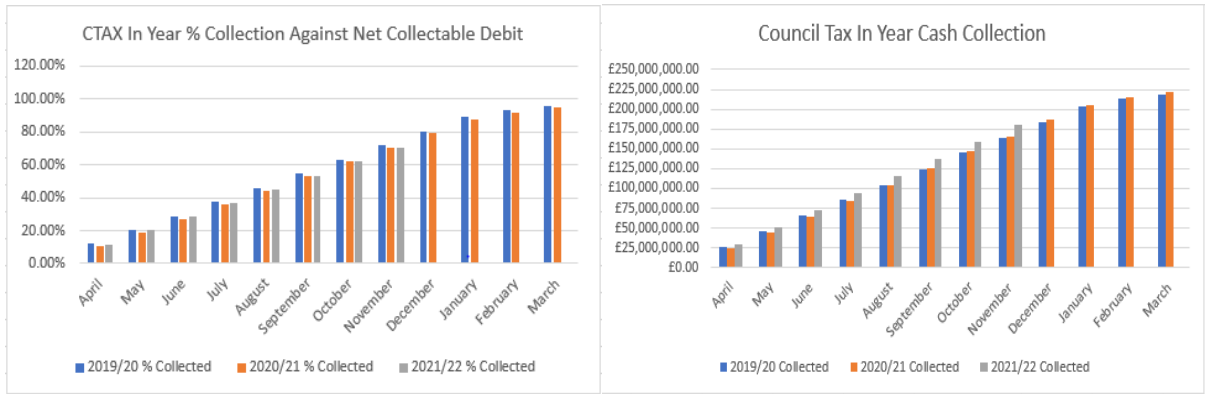
- Dollis Valley (£0.200m) – Due to expected completion of the development. The budget is to purchase units for displaced residents in new developments.
- Regeneration (£0.390m) and Voids and Lettings (£0.708m) to match the spend profile of programmes.

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

## **5. Revenues, debt, and treasury management**

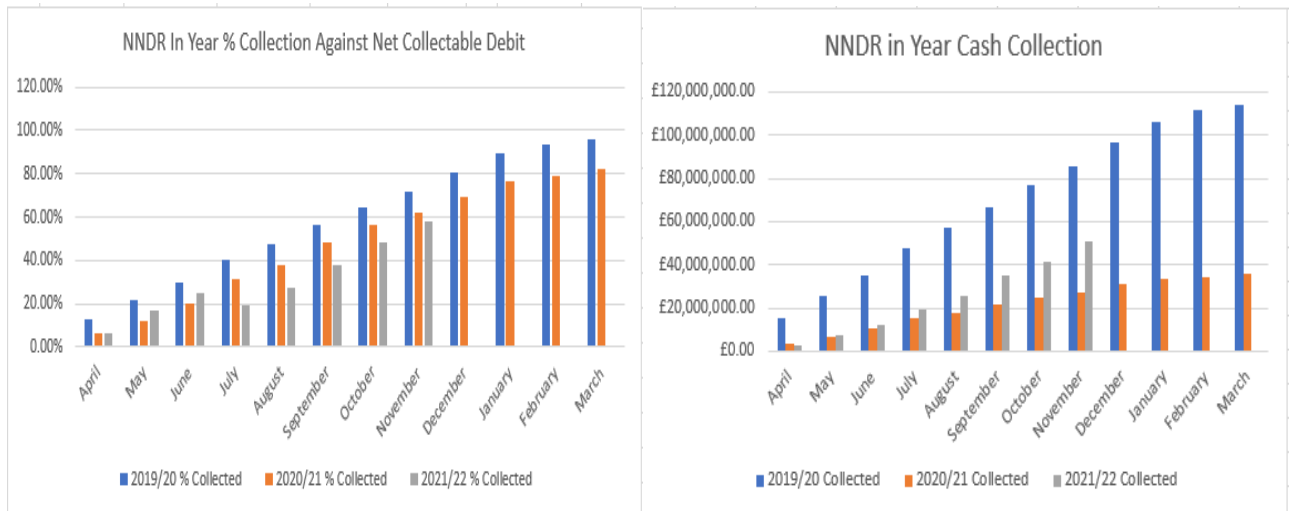
### Collection Fund – Council Tax

- 5.0 Overall collection continues to slightly improve compared to last year at 70.66%, which is 0.05% more than November 2020, but 1.11% lower than the previous year (i.e. pre-pandemic). In cash terms, current collection levels are £13.99m higher than last year and £15.4m higher than November 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.
- 5.1 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 8 and there is not expected to be an adverse pressure on the Collection Fund arising from the tax base. Council Tax Support numbers have reduced slightly from previous months' and are now forecasting to be £0.004m above budget. This can be managed through the Collection Fund Adjustment Account.
- 5.2 The council's budget plan for 2021/22 assumes the collection of £198m of Council Tax. A review of prior year collection has been undertaken with collection rates holding up to deliver the budgeted Council Tax Requirement, including against 2020/21, where collection rates were impacted by COVID-19. The likely scenario is for Council Tax to be collected to budget for the 4-year period prior to, and including, 2020/21. The worst-case scenario is a small deficit of £0.057m. This can also be managed through the Collection Fund Adjustment Account.
- 5.3 Overall, it is not expected that there will be a need to support council tax collection losses from C19 funding available.
- 5.4 The charts below show the comparison of collection rates and cash values over the three years.



### Collection Fund – Business Rates

- 5.5 The council’s budget plan for 2021/22 assumes the collection of £34.6m of business rates. At the end of June 2021, the 100% Expanded Retail Discount (ERD) ceased, and this meant that the council had more to collect from businesses. The ERD dropped to 66% for the remainder of the financial year for eligible businesses.
- 5.6 Whilst collection is still 4.06% down compared to November 2020, this is a significant improvement on the 8.16% October comparison against 2020. This reflects the receipt of payments from businesses with large business rates bills and this upward trajectory will be kept under constant review through the rest of the financial year.
- 5.7 Overall, it is expected that there will be a need for £1.7m 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.) The M6 position reported to this committee forecast a requirement of £2.9m, therefore there has been a £1.2m favourable movement due to the increased collection highlighted in 5.6
- 5.8 In cash terms, the council is £23.6m above the position 12 months ago but £34.9m below the position 24 months ago (pre-pandemic). Compared to 2020/21, this is a £10m favourable increase on M6 reporting and a £3.3m adverse movement compared to 2019/20.
- 5.9 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 first summonses will be issued during December 2021. Initially this was due to the magistrate’s courts not allowing Business Rates hearings, The recovery process recommenced in October and the first liability hearing will be held on 25 January 2022.



### Emergency financial support for residents

- 5.10 Emergency support is in the form of Discretionary Housing Payments, Discretionary Council Tax Discounts and Crisis Fund payments.
- DHP has seen a 28% decrease against last year (pandemic), it is now 0.18% below the previous year (pre-pandemic). The council has received a proposed allocation of £2.081m and are forecasting to spend the full allocation.
  - Discretionary Council Tax Discounts (Section 13A payments) are seeing a 13.14% increase against November 2020, down from 31% in M7 reporting. There is greater knowledge and understanding of the availability of Section 13A payments driving demand above pre-pandemic levels.
  - Crisis Fund has seen a 45% 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. A decision was taken to extend the Crisis Fund relaxation period to 31 March 2022 following receipt of the Winter Support Fund Grant.

### Court Costs (Local Taxation Recovery)

- 5.11 Court costs awarded and collected have significantly increased compared to 2020/21 and have now exceeded 2019/20. November 2021 is up 7% on November 2019/20. This was as anticipated as a result of the backlog of liability orders being cleared. The budget income target of £1.689m has been exceeded by £0.166m due to the backlog clearance.
- 5.12 Court costs collected in November are £0.973m. This is 502% up on 2020/21 owing to the freeze on both recovery and enforcement action for non-payment at that point in 2020 as of the council's pandemic response. In comparison to the pre covid year of 2019/20, November has now surpassed November 2019 (pre-pandemic) by 0.64%.

### Housing Benefit Overpayments (HBOP)

- 5.13 Housing Benefit Overpayment Collection continues to increase. The cumulative 2021/22 collection figure on 30 November 2021 is £1.799m. This is a 98% increase on the same on period last year (£0.891m) and a 58.65% increase on the same period in 2019-20 pre-pandemic, (£0.665m).
- 5.14 Current forecasts suggest the budget income target of £2.159m will be achieved.

### Sundry Debt

5.15 Between October 2021 and November 2021 overall debtors decreased by £3.510m. An analysis of debtors as at the 30 November 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.

5.16 Overdue debtors (up to 30 days and older) as at 30 November 2021 was £29.666m an increase of £4.586m for the same period in 2020 where the outstanding balance was £25.08m.

Table 12 Aged Debt Analysis as at 30 November 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 8	2,494	2,148	5,243	1,817	20,458	32,160
Month 7	3,435	6,325	1,961	5,870	18,079	35,670
<b>Movement</b>	<b>(941)</b>	<b>(4,177)</b>	<b>3,282</b>	<b>(4,053)</b>	<b>2,379</b>	<b>(3,510)</b>

5.17 Table 13 gives detail of the top ten individual debts by debtor, totalling £17.248m.

Table 13 Top 10 debtors as at 30 November 2021

Debtor	Total Debt £000	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000
NHS North Central London CCG	12,802	0	0	4,054	129	8,618
The Fremantle Trust	1,357	0	0	0	0	1,357
Comer Homes	993	0	0	0	0	993
Barratt Metropolitan LLP	577	90	0	473	0	13
Conway AECOM Ltd	334	0	0	0	0	334
Capita Business Services Ltd	309	30	267	1	0	11
Metropolitan Police Service	298	0	298	0	0	0
NHS Enfield CCG	232	0	0	23	0	209
Capita Property & Infrastructure LTD	197	26	0	106	0	65
Rex Chosen Ministries	150	0	0	0	0	150
<b>Total</b>	<b>17,248</b>	<b>147</b>	<b>565</b>	<b>4,658</b>	<b>129</b>	<b>11,750</b>

5.18 Regular discussions are taking place relating to NHS North Central London CCG debt. A payment of £4m expected to be made in Month 8 will now be made during Month 9. There has been recent agreement to pay on account for sums in respect of client recharges this will result in a further £4.5m of invoices outstanding being settled during Month 10. The account remains under close monitoring.

5.19 Legal discussions with The Fremantle Trust are ongoing.

5.20 The Comer Homes debt was cleared in Month 9.

5.21 Barratt Metropolitan LLP have paid £0.473m in Month 9. The remainder is under discussion with property services.

5.22 There are on-going final account negotiations with Conway to recover the outstanding debt, it is not known as yet when this is likely to be concluded.

- 5.23 Capita Business Services Ltd have paid the older than 30 days debts in Month 9 and the Accounts Receivable team are in discussion around the other balances.
- 5.24 Discussions are ongoing with the Metropolitan Police to reconcile the council invoices to their AP system and purchase orders.
- 5.25 Discussions are ongoing regarding the NHS Enfield CCG debt alongside the other CCG debts.
- 5.26 Capita Property & Infrastructure Ltd have paid £0.105m in Month 9 and they are investigating why the remaining balance has not been paid.

## **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 8 (November 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**

- 9.1.1 This supports the council's corporate priorities as expressed through the Corporate Plan for 2019-24 which sets out our vision and strategy for the next 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.
- 9.1.2 Our three outcomes for the borough focus on place, people and communities:
- 9.1.3 a pleasant, well maintained borough that we protect and invest in
- 9.1.4 our residents live happy, healthy, independent lives with the most vulnerable protected
- 9.1.5 safe and strong communities where people get along well
- 9.1.6 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)**

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

### **9.3 Social Value**

- 9.3.1 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**

- 9.4.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.
- 9.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.
- 9.4.3 The council’s Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:
- The overall financial performance of the council
  - The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
  - The council’s major strategic contracts including (but not limited to):
    - o Analysis of performance
    - o Contract variations
    - o Undertaking deep dives to review specific issues
    - o Monitoring the trading position and financial stability of external providers
    - o Making recommendations to the Policy & Resources Committee and/or
    - o theme committees on issues arising from the scrutiny of external providers at the request of the Policy & Resources Committee and/or theme committees
    - o 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**

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

## **9.6 Equalities and Diversity**

- 9.6.1 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. Consideration of these duties should precede the decision. 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:
  - (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:
  - (a) 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:
  - (a) Age
  - (b) Disability
  - (c) Gender reassignment
  - (d) Pregnancy and maternity
  - (e) Race
  - (f) Religion or belief
  - (g) Sex
  - (h) Sexual orientation
  - (i) Marriage and Civil partnership

9.6.2 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.

9.6.3 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)

9.6.4 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**

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

## **9.8 Consultation and Engagement**

9.8.1 None in the context of this report

## **9.9 Insight**

9.9.1 None in the context of this report

## **10. BACKGROUND PAPERS**

10.1 None.