



Financial Performance & Contracts Committee

14 March 2022

Title	Chief Finance Officer Report Forecast Financial Outturn at Month 10 (January 2022)
Report of	Executive Director of Resources (Section 151 Officer)
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None
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Summary

This report contains a summary of the council's revenue and capital forecast outturn for the financial year 2021/22 as at Month 10 (31 January 2022).

The council is forecasting overall for expenditure to be in line with the approved budget for 2021/22 on revenue, made up of an overspend of £4.1m in Adult Services offset by an underspend in Resources of £4.2m.

The council's capital programme for 2021/22 is forecasting expenditure at £335m; £8.0m less than at Month 9 due largely to the budget reprofiling of project expenditure in line with expected project delivery timelines. This is discussed elsewhere in the Capital Programme paper on the agenda.

It also contains information on the level of debt and the top 10 debtors as at 31 January 2022, and any subsequent updates the committee needs to be aware of that impact the debt position.

Recommendations

That the Committee notes:

- 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 As the end of the financial year approaches, the uncertainty levels from a combination of internal and external factors begin to reduce. At month 10 risks and opportunities are quantifiably less and forecasts are reflective of whether they have or have not materialised, reduced in value owing to the nature of the risk, or have been mitigated elsewhere through management actions.
- 1.2 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.
- 1.3 This report sets out the budget forecast as at month 10 and includes the 'most likely' outcomes based on current information.
- 1.4 As at month 10, the financial outturn for the General Fund is forecast:
- Overall, on budget;
 - A likely net contribution to reserves of £3.444m ; and
 - Anticipated spending of £34.218m on Covid-19 impacts in the current year, funded by various Covid-19 grants, with a further £10.112m earmarked for Covid-19 impacts in future years.

2 Forecast revenue outturn position at month 10

Overview

- 2.1 The council's forecast revenue outturn position for the 2021/22 financial year as at month 10 (31st January 2022) 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 overall forecast net expenditure is on budget, an improvement of £0.649m compared to month 9 forecasting. This change is due primarily to a favourable movement in Resources. The Month 10 forecast outturn position is presented after applying £2.038m of earmarked reserves in Children's Services, Environment and Public Health. These resources were previously set aside against anticipated (but not certain) future cost pressures. There are also contributions to earmarked reserves of £5.483m from Growth and Corporate Services, Assurance and Resources.

Table 1: Forecast Revenue Outturn at Month 10

Service Areas	2021/22 Budget	M10 Forecast	M10 Variance	Non C19 Reserves applied	Variance after reserves	M9 Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	103,032	107,160	4,127	0	4,127	4,312
Children's Family Services	73,839	74,826	987	(1,051)	(65)	22
Environment	14,701	15,958	1,258	(715)	543	229
Growth and Corporate services	40,313	38,832	(1,481)	1,087	(394)	(286)
Assurance	7,834	6,803	(1,030)	931	(100)	97
Resources	75,139	67,556	(7,582)	3,465	(4,118)	(3,730)
Public Health	18,244	18,519	275	(272)	3	3

Total at Month 10	333,102	329,655	(3,447)	3,444	(3)	646
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Non-Covid spending

- 2.2 The current forecast for non-Covid “business as usual” income and expenditure is in line with the approved budget despite movement across the service areas. Table 2 provides a breakdown of the movement in non-Covid variance as at month 10 with commentary.
- 2.3 Overall, non-Covid 19 income and expenditure remains close to planned budget levels. However, movement in social care placement forecasts remains a continued risk. This is due to uncertainty over the short-term impact of C19-related demand changes in adults, both in terms of activity and case complexity and to the risk of unexpected care placements arising in children with high and/or complex needs, which would change the forecast although the effect for the remainder of this financial year would be minimal. These risks are being held under review by the services concerned.
- 2.4 Car parking losses continue to be a source of concern, but current receipts have reached c. 80% - 85% of pre-pandemic levels. Income forecast from the Special Parking Account (SPA) at month 10 remains relatively neutral and delays in the rollout of the CPZ programme is partly mitigated by forecast re-banding income and the achievement of small staff savings due to lower activity.

Table 2: Non-Covid Spending - movement in variance from month 9 – 10

Service Areas	Month 9 non-COVID variance	Change	Month 10 non-COVID variance	Commentary
	£'000	£'000	£'000	
Adults and Health	4,312	(184)	4,127	Review of staffing projections in the last quarter of 21/22 has resulted in a reduction and favourable movement by £0.185m. The reduction in projection is due to a delay in recruitment.
Children's Family Services	22	(86)	(65)	Whilst there has been an increase in 0-17 placement costs, there are compensating positive movements in relation to legal charges, Children with Disabilities and several other areas.
Environment	229	315	543	Favourable movement of £0.077m in Streetscene is offset by £0.407m downward movement in Parking and Infrastructure due primarily to unachievable income of £0.55m resulting from the delayed rollout of the CPZ programme which is likely to commence in full next year. This is partly mitigated by savings in the special parking account.
Growth and Corporate services	(286)	(108)	(394)	Favourable movement due to capitalisation of staffing and security costs to capital projects.
Assurance	97	(197)	(100)	Favourable movement is largely the result of £0.173m Burglary initiative service costs for locksmiths and fencing which has not materialised.
Resources	(3,730)	(388)	(4,118)	Short Term investments have benefitted from the interest rate rises from the Bank of England alongside increases in the use of short term deposits of £0.250m alongside a further increase in long-term investment income forecasts relating to on-lending totalling £0.138m as those loans are expected to draw down slightly faster than assumed in the M9 forecast for Q4.
Public Health	3	(1)	3	
	646	(649)	(3)	

Application of Reserves

- 2.5 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.
- 2.6 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 10

Service Areas	Forecast (drawdown) /top-up to reserves	Commentary
	£'000	
Children's Family Services	(1,051)	£0.453m To Support Troubled Families £0.18m Safeguarding Draw Down £0.580m Transformation Fund AYSE Recruitment, International Recruitment and several other smaller initiatives
Environment	(715)	Green spaces and leisure drawdown due to Trees £0.577m, Pleasant Parks programme £0.500m and Sustainability Expertise and Data Collection (Barnet Plan) £0.088m; Streetscene contribution of £0.450m due to green waste collections
Growth and Corporate services	1,087	£0.388m contribution to the Brent Cross Retail Park reserve in line with business case. The £0.744m full surplus exceeds the planned contribution and allows £0.356m of this to be retained to support BX revenue costs. £0.707m top up for Flexible Homelessness Support Grant (FHSG) and other grants which will fund qualifying expenditure in future years. £0.055m internal Comms top up for temporary rise in 22/23 Barnet First print and distribution costs Offset by: £0.063m Digital Smart Cities drawdown from the Sustainable Infrastructure Enabling fund.
Assurance	931	£0.791m top up of income from the legal gain-share received in this financial year. This will be subsequently moved to general reserves in resources. £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 CCAS income to fund future year commitments. £0.028m drawdown from the CAFT reserve to cover timing delays on court receipts.
Resources	3,465	£3.465m transfer from unused contingency as a contribution to reserves, in line with 2022/23 budget setting so it can be used for next year's contingency
Public Health	(272)	Drawdown of PH Grant ring-fenced reserve due to one-off service led contract pressures.
Total	3,444	

Savings

- 2.7 The budget for 2021/22 includes planned savings of £10.590m. The forecast set out in table 1 includes the achievement of 77% of this target (£8.137m) as shown in table 4.
- 2.8 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 2021/22 year. Current indications are that these savings will all be achieved in 21/22
- 2.9 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.
- 2.10 The planned saving of £0.405m against placement costs in Children and Family service will not be achieved due to delays in building works caused by various Covid-19 delays. It is anticipated to be delivered over time as these buildings come into use in future years.
- 2.11 Underachievement in Environment is due primarily to the delayed rollout of the CPZ programme.

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 31/01/2022	(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	2,277	499	17.96%	50	50	0	0.00%
Environment	1,375	800	575	41.82%	100	100	0	0.00%
Growth and Corporate Services	4,136	4,147	(11)	-0.27%	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%
Total	10,590	8,137	2,453		2,458	2,458	0	
Percentages	100.00%	76.84%	23.16%		100.00%	100.00%	0.00%	

Covid-related spending

- 2.12 Based on latest information, it is estimated that expenditure on activity related to Covid-19 will amount to £34.218m in the current year. £10.112m (c. 23%) of available funding is not yet formally committed – although there remains some 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 10

Service Areas C19 at Month 10	C19 forecast	Comment
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spending	£'000	
Adults and Health	17,716	Specific grant funding for Infection Control, Rapid Testing, Clinically Extremely Vulnerable, Workforce Capacity and Local Support Grant (£9.722m) Hospital discharge funding (£1.922m) Leisure disruption SPA income (£1.843m) ASC workforce pressures (£1.886m) Placement related pressures (£2.524m)
Children's Family Services	3,885	£0.991m COVID Local Support grant, £0.500m increased payments to support families' needs as a result of COVID, £0.185m High quality education, £0.315m to support SEN Transport pressures 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	4,395	Loss of parking income - fees and charges – Special Parking Account (£3.442m) and Off Street Parking £0.244m; Loss of commercial waste income (£0.253m); Refuse agency costs required for additional vehicle cleaning (£0.226m) and PPE & Sanitisation (£0.25m)
Growth and Corporate services	3,337	Increased temporary accommodation demand (£0.577m), Re Guaranteed Income shortfall (£1.026m), Employment and skills staffing and support and Entrepreneurial and Training programmes (£0.312m), print contract reimbursement (£0.130m), staff diverted from standard duties (£0.127m), CSG Procurement Volumes increases and other (£0.075m), Town Centre redevelopment (£0.183m), re-opening of high streets safely (£0.492m), Strategy and Communications priorities (£0.294m) 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	Catch up premium (£1.051m); Recovery (£0.516m)
earmarked for next year	10,112	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 All earmarked and future spend is currently being reviewed
C19 costs as at Month 10	44,330	
funding	£'000	
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	17,085	Other funding available in 2021/22, including extensions on Track and Trace, COMF, CEV etc.
Known funding at Month 10	44,330	

Risks and opportunities

2.13 In preparing the report for month 10, 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 is known to be higher than has been the case previously, due to various C19 impacts including delays treating other conditions. The risk is that the level of clients will be higher than anticipated and is linked to the NHS catching up on waiting lists and has a relationship to winter pressures.
 - Revenues including client income due and the future NHS funding for hospital discharges 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.
 - Pressures over winter could see demand exceed expectations.
- Children's and Family Services
 - Increased Asylum Seeker numbers due to inclusion within the borough boundary hotels used by the Home Office to accommodate asylum seekers, some of which may be children to whom UASC support arrangements then apply.
 - Potential for clients to present with complex needs or existing clients needs increase both within 18-25 and other children's placements. This could result in a large cost impact which could not be accommodated within the budget. For context, a high-cost placement could cost £10-12k per week.
 - The service is reviewing the average cost of placements and the probability of attracting third party contributions. If we are unable to obtain agreement on the sum anticipated in the forecast, this would have an adverse impact on the out-turn.
- Growth and Corporate Services
 - Regular reviews of arrears in the Estates department may lead to subsequent write-offs of income related to prior years.
- Environment
 - Whilst the winter gritting service budget has increased this year storm damage and clear up, as recently seen by Storm Eunice and Franklin could lead to further pressure in this area.
 - End of year Penalty Charge Notice (PCN) debt accrual likely to be significantly lower than previous year due to reduction in PCNs issued and increased debt repayment. However, re-banding (implemented in February 2022) should increase the value of PCNs issued in the remainder of the year which will offset an element of the reduction.
- Resources
 - Capital financing costs could go higher than expected due to economic climate and interest rates climbing if the council needs to take out further borrowing that it is not planning on in 2021/22; stability of business rate income and knock-on effect to the General Fund if collection does not continue to improve.
- 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 be staggered due to Omicron, the most recent Covid variant.

Budget Changes

2.14 No budget increases or decreases have been applied between M8 and M10.

Reserves

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

Table 6 Forecast Reserves Balances at month 10

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	3,444	33,589
Total Revenue Reserves	69,577	3,444	73,021
Revenue Grant - unapplied (Covid-19, general fund)	13,824	(3,712)	10,112
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
Grant unapplied	58,098	(25,347)	32,751
Total Revenue Reserves & Grant Unapplied	127,675	(21,903)	105,772
Capital Reserves	16,067	0	16,067
Total All	143,742	(18,459)	125,283

2.16 The above table 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.

2.17 It is expected that service reserves are to be topped up to the value of £3.444m and £3.712m 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).

- 2.18 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. This estimate remains unchanged from reported in the previous month. 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.
- 2.19 Overall, reserves brought into the year amount to £143.742m. It is expected that £18.459m of this will be used in the year (chiefly in support of losses relating to business rates), leaving an estimated carry forward of £125.283m. (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.)

3 Ringfenced funding

Housing Revenue Account (HRA)

- 3.0 The HRA budget was realigned following the approval of the HRA business plan at February Policy and Resources committee. No variance to budget is currently anticipated. A detailed table is included at appendix A.
- 3.1 At month 10, the HRA is forecasting a £0.020m surplus in line with the budget which is after a voluntary expenditure contribution to capital of £0.324m
- 3.2 Excluding capital charges and depreciation, the controllable element of the HRA is projected to achieve a surplus of £12.566m, against a target of £14.243m, leaving a projected deficit to the target of £1.677m.
- 3.3 The adverse position is largely due to £1.221m projected debt costs on the HRA. The budget assumed small incremental borrowing, but 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 2.5% in 18 months.
- 3.4 £0.840m adverse budget variance is due to higher repair costs in maintaining HRA properties. These are mainly disrepair claims. Additionally, costs of materials and labour have been exacerbated by the Covid pandemic and the departure of European skilled labour following the UK leaving the EU. This has resulted in difficulty in recruiting quality resources, pushing up rates for both operational and supervisory staff.
- 3.5 These costs are partly offset by overachievement in dwelling rent income, where a greater number of properties are generating income than initially expected, due to fewer empty properties, fewer properties lost to Right to Buy (RTB) and delays in regeneration affecting HRA properties.
- 3.6 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)
HRA Reserves	(10,849)	(6,020)

Dedicated Schools Grant (DSG)

- 3.7 The DSG budget will be updated as the Department for Education (DFE) announce further updates to allocations. For month 10, the forecast position for the DSG is an underspend of £2.485m. Inclusive of brought forward balances, this forecast position will leave the council with a DSG surplus of £5.729m on the balance sheet.
- 3.8 This is a £2.741m underspend within the growth fund where the latest figures provided to finance have indicated there is likely to be little call for additional support. This is unchanged from previous months.
- 3.9 Early Years – Whilst DfE funding is £0.910m less than indicative calculations, there is a reduction in spend this month of £1.561m.
- 3.10 High Needs - There are several minor adjustments, which have resulted in a net improvement of £0.120m.

	20/21 Outturn	Budget	Month 10 Forecast Outturn after reserves	Month 10 variance after reserves	Month 9 non- COVID variance	In-Month change
	£000	£'000	£'000	£'000	£'000	£'000
<u>Expenditure</u>						
Schools:						
- 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
Sub-total	145,249	155,929	153,188	(2,741)	(2,741)	0
Early Years Block	29,332	30,189	28,628	(1,561)	0	(1,561)
High Needs Block	51,233	55,270	56,434	1,164	1,284	(120)
Sub-total	80,565	85,459	85,062	(397)	1,284	(1,681)
Total	225,814	241,388	238,250	(3,138)	(1,457)	(1,681)
<u>Income</u>						
DSG Income	(227,249)	(240,735)	(240,735)	0	0	0
Total	(227,249)	(240,735)	(240,735)	0	0	0
Net DSG 21/22	(1,436)	652	(2,485)	(3,138)	(1,457)	(1,681)

Public Health Grant

- 3.11 The ringfenced public health grant of £17.817m is forecast to overspend by £0.272m due to additional agreed service commitments, however there is still some uncertainty with the final position with of demand led contracts (which underspent last financial year). Any final overspend will be funded from 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.)

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	18,089	0	18,089	272
Public Health Services	17,817	18,089	0	18,089	272

3.12 The Public Health Grant Reserve is currently £1.901m, there is currently a forecast drawdown of £0.272m 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	1,629

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 £14.094m, but that the current forecast is for only £9.699m of the budget be achieved.

3.14 The forecast losses arising from this underachievement of income amount to £3.442m, 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.

Table 9 SPA Forecast

SPA Accounts	2021-22 Budget	Estimated 2021-22 Outturn		
	£'000	£'000	£'000	£'000
Income	Budgeted SPA Account	M10	M10	M10
		Forecast Excluding Covid-19	Funded Covid-19 losses	Forecast Outturn
Penalty Charge Notices	(16,275)	(9,375)	(3,158)	(12,533)
Residents Permits	(3,020)	(3,528)		(3,528)
Pay & Display	(3,990)	(3,198)	(284)	(3,482)
CCTV Bus lanes	(370)	(962)		(962)
Total Income	(23,655)	(17,063)	(3,442)	(20,505)
Budget Income Adjustment	2,600	0	0	0
Total Income after adj.	(21,055)	(17,063)	(3,442)	(20,505)
Operating Expenditure (running costs)	6,961	7,364		7,364

Net Operating Surplus	(14,094)	(9,699)	(3,442)	(13,141)
Appropriation to General Fund	(14,094)	(9,699)	(3,442)	(13,141)

4 Capital Programme

- 4.1 The revised 5-year capital programme was approved by Policy and Resources Committee in December. The revised 5-year capital 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 Budget
	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	4,350	4,739	4,221	3,762		17,072
Housing and Growth (Brent Cross)	119,240	50,226	50,126			219,592
Housing and Growth Committee	80,798	115,997	67,112	53,885	27,629	345,421
Children, Education & Safeguarding	15,229	16,670	10,519	991	2,000	45,409
Community Leadership and Libraries	808	1,000	300			2,108
Environment	20,404	32,942	27,155	10,778	4,580	95,860
Policy & Resources	20,248	5,112	600	600		26,560
Total - General Fund	261,077	226,686	160,034	70,016	34,209	752,022
Housing Revenue Account	74,225	111,022	78,584	54,104	23,720	341,655
Total - All Services	335,302	337,708	238,618	124,120	57,930	1,093,677

Theme Committee - funding	Grants/Other Contributions	S106	Capital Receipts	Revenue/MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	12,439	417	90	0	3,997	129	17,072
Housing and Growth (Brent Cross)	205,713	0	900	0	0	12,979	219,592
Housing and Growth Committee	53,395	7,480	14,747	491	40,279	229,029	345,421
Children, Education & Safeguarding	42,723	2	342	0	406	1,935	45,409
Community Leadership and Libraries	0	0	0	0	1,730	378	2,108
Environment	710	6,095	428	0	45,251	43,376	95,861
Policy & Resources	1	45	927	0	5,000	20,587	26,560
Total - General Fund	314,981	14,040	17,434	491	96,663	308,413	752,022
Housing Revenue Account	23,995	1,501	14,038	78,434	0	223,686	341,655
Total - All Services	338,976	15,541	31,472	78,925	96,663	532,099	1,093,677

- 4.2 The capital forecast outturn for the current year is £335.302m, of which £261.077m relates to the General Fund programme and £74.225m relates to the HRA capital programme.

Table 10 Current Financial Year Forecast Capital Outturn

Service Area	2021/22 Budget	Additions/ (Deletions)	Re-profiled (to)/from future years(2021/22 Forecast	Variance from Approved Budget	Expenditure to date
	£000	£000	£000	£000	£000	£000

Adults and Health	5,002	(250)	(456)	4,296	(706)	3,049
Children's Family Services	14,229	0	1,478	15,707	1,478	11,247
Assurance	330	0	0	330	0	0
Growth and Corporate services	102,614	0	(962)	101,652	(962)	52,084
Environment	26,062	(256)	(6,521)	19,284	(6,777)	6,731
Brent Cross	138,975	0	(19,735)	119,240	(19,735)	69,701
Resources	567	0	0	567	0	985
General Fund Programme Total	287,779	(506)	(26,195)	261,077	(26,702)	143,796
HRA	77,582	(2,237)	(1,120)	74,225	(3,358)	51,294
Grand Total	365,361	(2,744)	(27,316)	335,302	(30,059)	195,091

- 4.3 The key variance since updating the programme overall is the in-year delay and re-profiling of budgets in Brent Cross of £19.735m and Environment of £6.521m

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
	£000	£000	£000	£000	£000	£000	£000
Adults and Health	3,116	0	51	0	1,000	129	4,296
Children's Family Services	14,409	2	91	0	275	930	15,707
Assurance	0	0	0	0	330	0	330
Growth and Corporate services	4,967	1,492	6,726	491	4,608	83,367	101,652
Environment	1,043	2,946	102	0	2,068	13,124	19,284
Brent Cross	117,471	0	0	0	0	1,769	119,240
Resources	0	567	0	0	0	0	567
General Fund Programme	141,006	5,007	6,971	491	8,282	99,320	261,077
HRA	4,369	800	3,777	30,811	0	34,468	74,225
Total Capital Programme	145,375	5,807	10,748	31,303	8,282	133,787	335,302

- 4.5 **Brent Cross** – The current 2021/22 position indicates re-profiling of £19.735m required in-year across all elements, whilst the overall programme at present is shown on budget. It must be noted the M9 position of £15.407m re-profiling was formally reported to Policy & Resources Committee on the 9th February. The additional amount of net £4.328m is detailed across the programme as per below. The 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 potentially crystallise these will be included in the forecast as appropriate.

- **Land Acquisitions** – 2021/22 is forecasting accelerated expenditure of £0.053m. This relates to revised legal and professional fees of £0.133m offset by a reduction in resource time recharges of £0.080m.
- **Brent Cross West Station** – 2021/22 is forecasting a £3.315m re-alignment. The Delivery Packages are forecasting an in-year decrease of £2.796m of which £2.474m primarily relates to the withdrawal of a key rail possession affecting the Station Construction and the need to reschedule access in 2022/23. An efficiency of £0.169m has been realised for the provision of station assets. There has been a further minor £0.149m re-alignment within Rail Systems and Sidings. The remaining £0.519m relates to the Regeneration Packages, primarily re-alignment within the Waste Transfer Station as a result of Stage One works commencing slightly later than originally anticipated.
- **Critical Infrastructure** – 2021/22 is forecasting a £0.594m re-alignment, £0.424m related to a slightly later start on site of the civils works within the Electricity Substation and a £0.120m revised profile of the L&Q grant within Plots 53/54. The £0.050m balance relates to revised legal and professional fees and resource time recharges across all packages. A further £0.486m of in-year savings have been achieved following successful negotiations on utilities final accounts and contractor works no longer required within the delivery of Southern Junctions. The total 2021/22 change is £1.080m.
- **BXT Land Acquisitions** – 2021/22 is forecasting accelerated expenditure of £0.014m. This relates to revised legal and professional fees of £0.044m offset by a reduction in resource time recharges of £0.030m.

4.6 **Growth and Corporate Services** – At month 10, Growth and Corporate Services are forecasting a £0.962m underspend against the £102.614m capital programme budget in the current year. This is mainly due to:

- Accelerated spend in Housing Acquisitions Open Door (£5.000m) as several properties are in the pipeline and ready for completion and New Build Housing (£1.830m) based on costs incurred for the year on the final plots for development.
- Offset by delays in the following programmes:
- Empty Properties - (£1.920m) - there have been no CPOs this financial year and the capital spend has been spread across the remaining years to reflect potential CPOs and other grants awarded for supporting refit of empty properties.
- Depot Relocation – (£1.842m) - relating to land purchase costs now materialising in 22/23, adjustments to works programmes, and rescheduling of the civils works at the Brogan's site
- Hermitage Lane - (£0.740m) - the forecast is based on the funding drawdown to date, with no further drawdowns expected this financial year.
- Mixed Tenure (Tranche 1) – (£0.400m) - the project is still at an early phase and professional agents are being agreed, most of the costs are expected to fall into 22/23
- The Burroughs, Hendon – (£2.633m) due to a delayed property acquisition, where completions will now occur in 22/23.
- Town Centre – (£0.280m) – planning and development costs have slipped into future years.

4.7 **Children's and Family Service** –The budget for the capital schemes in 2021/22 is £14.229m and the forecast is £15.707m. This has a variance of £1.478m.

- Additional funds of £1.478m have been accelerated from 22/23 to support the delivery of the Alternative Provision Project. The project is still on budget. This acceleration is due

to the project progressing at a faster pace than was previously forecasted. There is increasing confidence that the building works will be completed by May 2022.

4.8 Adults and Safeguarding – The Adults and Safeguarding Capital budget for 2021-22, is forecasting a delay and deletion against the budget at period 10, details are as follows:

- The leisure centres project forecast at month 10 has not changed from P9. Retention payments have been released for the two sites. There is some re-profiling of £0.447m against the current budget and is due to delayed 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 underspend by £0.250m. This figure is flagged for deletion as no longer required to meet any future commitment.
- 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 – forecast to budget spend being reviewed. Delayed spend from 2020/21 has been re-profiled over the next two financial years.

4.9 Environment – At month 10 Environment is forecast to spend £19.284m against the approved budget of £26.062m with £6.521m of delayed spend. The latter includes spend re-profiling of Vehicles of £3.5m, Park Infrastructure West Hendon of £1.5m and CPZ programme, LED lighting and Copthall Playing Fields of £0.5m each. It should be noted that £6.182m of re-profiled spend was taken to Policy and Review committee in February 2022 for approval. Additional delays since then will be taken to the March 2022 committee.

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 £77.582m in 2021/22. The position reported at month 10 is showing a deletion related to the Burnt Oak Broadway Programme no longer going ahead.

4.12 Extra Care (Stag) and Regen Stock Additional Investment revised to match the spend profile of programmes.

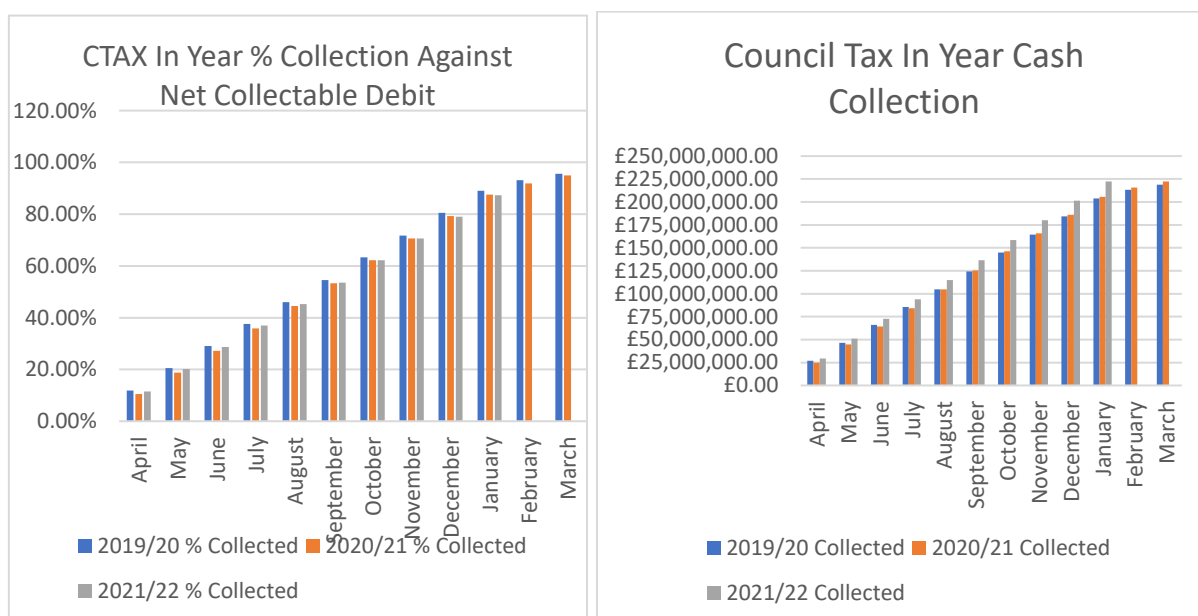
4.13 The HRA budgets will be re-aligned at M11 to match the revised 30-year Business Plan approved at P&R in Feb 2022.

5 Revenues, debt, and treasury management

Collection Fund – Council Tax

5.1 Overall collection slightly reduced compared to last year at 87.30%, this is 0.31% lower than January 2021, and 1.72% lower than the previous year (i.e. pre-pandemic). In cash terms, current collection levels are £16.586m higher than last year and £18.436m higher than January 2020 (pre - pandemic) – this is due in part to annual increases in both the council tax base and the household charge over two budget cycles. As at the beginning of February 2022 there were 7,139 households on an alternative payment plan with payments expected in Month 12.

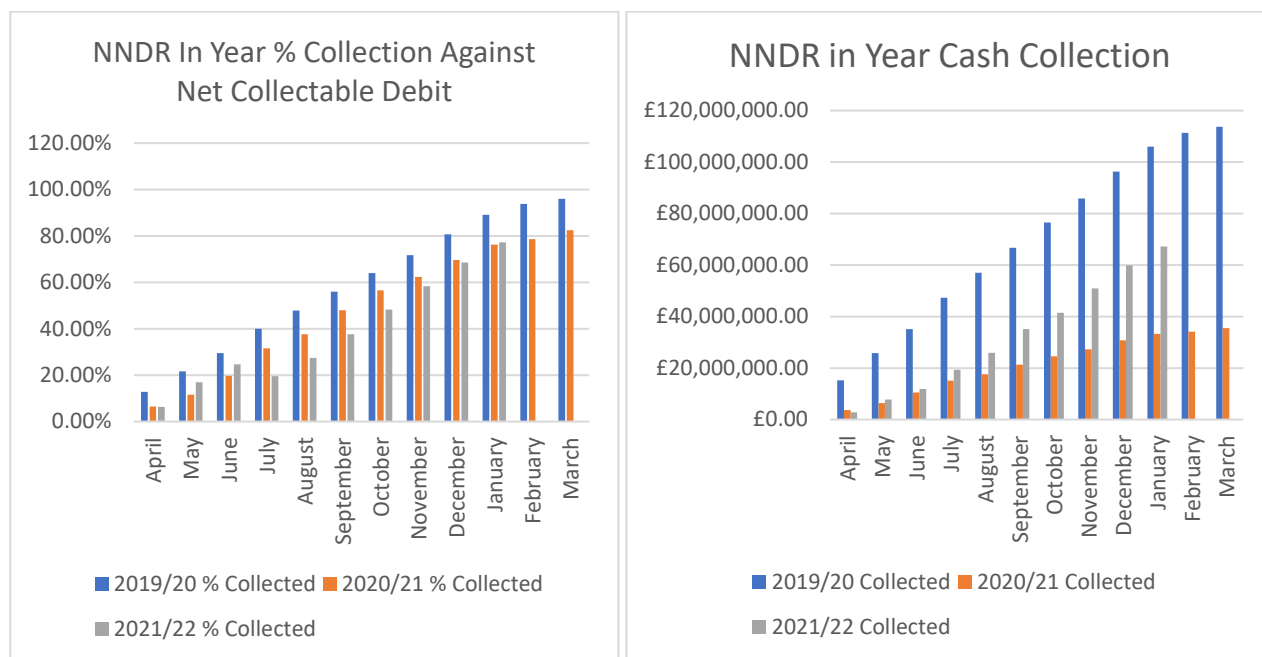
- 5.2 There has been an underlying recovery impact from COVID-19 in Council Tax, however the council's tax base has improved through additional completions to Month 10 and there is not expected to be an adverse pressure on the Collection Fund arising from the tax base. Council Tax Support numbers have reduced slightly from previous months' and are now forecasting to be £0.037m above budget. This can be managed through the Collection Fund Adjustment Account.
- 5.3 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 deficit of £0.320m. This can also be managed through the Collection Fund Adjustment Account.
- 5.4 Overall, it is not expected that there will be a need to support council tax collection losses from C19 funding available.
- 5.5 The charts below show the comparison of collection rates and cash values over the three years.



Collection Fund – Business Rates

- 5.6 Business Rates collection increased in January 2022 by 1.01% compared to January 2021. This continues to show a significant improvement on the 8.16% October, 4.06% November and 1.06% December comparison against 2020.
- 5.7 At Month 9, the council undertook a detailed NNDR review. This review included the likely changes in provision and impact of use of Collection Fund Reserves held for Covid-19 over a three-year period. Whilst there is likely to be risk in the base number of businesses liable to pay rates, given the make-up of Barnet's businesses (49% of the base are shops, restaurants and other related businesses, dependent on footfall) there is no reason at this moment in time to consider that there will be a net deficit arising to the Collection Fund from business rates in 2021/22.

- 5.8 In cash terms, the council is £34m above the position 12 months ago but £38.769m below the position 24 months ago (pre-pandemic). The cash collection is impacted by the Net Collectible debit (NCD) in each year. 2021/22 the NCD is 43.485m higher than 2020/21 but 31.807m below 2019/20. The NCD is reduced by the amount of grant received by the council for expanded retail reliefs, for example.
- 5.9 The current forecast cash flow assumes a worst-case position which is a £1.7m in-year deficit against the amount collectible, when reviewing the collection profiles for the previous three years. Should collection continue to rise at its current levels to March 2022 this in-year deficit will reduce accordingly. This is forecast to be offset in-year by changes in provision requirements for bad debt and appeals.
- 5.10 During Q3 2021/22 business rates collection began to increase as the team were able to return to business as usual following the Covid response. On 17 January 2022 Barnet launched 2 new grant schemes to support businesses in response to the spread of Omicron. The Omicron Hospitality and Leisure Grant **and** the Omicron Additional Restrictions Grant will again have a detrimental impact on business rates workloads and ability to collect business rates. The deadline for applications is 18 March 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 23.42% decrease against last year (pandemic), however is now 5.38% above 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) has seen a 3.63% increase against January 2021. There is greater knowledge and understanding of the availability driving demand, therefore despite seeing a significant reduction in January 2022 the figure is still above January 2021.

- Crisis Fund awards are 33.76% higher than January 2021 however this has decreased month on month since April 2021. October 2021 49.06%, November 2021 44.79% and December 2021 40.35%. The main driver for the crisis fund increase is owing to the relaxation of the eligibility/entitlement requirements within the council's policies. The decision was taken to extend the Crisis Fund relaxation period to 31 March 2022.

Court Costs

- 5.12 Court costs awarded and collected have significantly increased compared to 2020/21. January 2022 costs awarded are down 4% on January 2020 however January saw the first Business Rates liability hearing of 2020/21, and these will continue in February and March. The budget income target of £1.689m has been exceeded by £0.255m.
- 5.13 Court costs collected in January 2022 are £1.164m. This is 416% 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, January 2022 is down on January 2020 (pre-pandemic) by 1.71%.

Housing Benefit Overpayments (HBOP)

- 5.14 Housing Benefit Overpayment Collection continues to increase. The cumulative 2021/22 collection figure on 31 January 2022 is £2.186m. This is a 75% increase on the same on period last year (£0.936), and a 51.39% increase on the same period in 2019-20 pre-pandemic, (£0.742m).
- 5.15 The budget income target of £2.159m has been achieved.

Sundry Debt

- 5.16 Between December 2021 and January 2022 overall debtors increased by £0.356m. An analysis of debtors as at the 31 January 2022 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 31 January 2022 was £27.865m an increase of £1.977m for the same period in 2021 where the outstanding balance was £25.888m.

Table 12 Aged Debt Analysis as at 31 January 2022

Debtor	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000	Total Debt £000
Month 10	1,228	2,899	3,491	446	21,029	29,093
Month 9	2,746	2,881	1,293	2,800	19,017	28,737
Movement	-1,518	18	2,198	-2,354	2,012	356

- 5.18 Table 13 gives detail of the top ten individual debts by debtor, totalling £14.662m.

Table 13 Top 10 debtors as at 31 January 2021

Debtor	Total Debt £000	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000
NHS North Central London CCG	10,346	0	80	2,000	0	8,266
Countryside Properties	1,619	0	1,621	0	0	-2
The Fremantle Trust	1,357	0	0	0	0	1,357
Conway AECOM Ltd	334	0	0	0	0	334

Greater London Authority	278	12	0	238	0	28
NHS Enfield CCG	208	0	0	0	0	208
Rex Chosen Ministries	150	0	0	0	0	150
Capita Business Services Ltd	139	63	19	40	0	17
Regional Enterprise Ltd	119	0	116	0	0	3
Cadent Gas Limited Street Works	111	31	32	28	4	17
Total	14,662	106	1,867	2,306	4	10,379

- 5.19 Outside the Top 10 debts above, there is a significant class of debt relating to contributions to care in Adult Social Care. At the end of January 2022, the level of overdue debt related to individuals who receive adult social care services was £8.905m, a reduction on previous updates to this Committee at Month 8, where it was £9.136m. Approximately 25% of the debt relates to deceased client accounts and 20% of the debt is secured by a deferred payment agreement (DPA). There is an ongoing project looking at debt recovery and, at month 10, the project has recovered £0.721m.
- 5.20 Adults and Safeguarding Committee receive quarterly performance reporting, debt is a specific category within this report, and the Executive Director receives monthly updates on the debt position as part of monitoring. The latest report was to the Adults and Safeguarding Committee in March 2022.
- 5.21 Regular discussions are taking place relating to NHS North Central London CCG debt. The account remains under close monitoring and regular meetings are taking place to resolve invoice queries. A payment of £6.4m has since been received during M11. There are still invoices due to be raised by year end primarily reflected quarter 4 agreed recharges.
- 5.22 The Countryside Properties debt was cleared in Month 11.
- 5.23 Legal situation with The Fremantle Trust is expected to be resolved before 31 March 2022.
- 5.24 The Conway AECOM debt was cleared in Month 11.
- 5.25 The GLA account balance at Month 11 has increased to £0.282m. £0.238m is expected in Month 11 with the balance under review for payment approval with GLA.
- 5.26 Discussions are ongoing regarding the NHS Enfield CCG debt alongside the other CCG debts.
- 5.27 Discussions are underway with Legal regarding the Rex Chosen Ministries debt arising from rent and insurances charges at Stag House.
- 5.28 Capita Business Services Ltd debt reduced to £0.080m in Month 11.
- 5.29 £0.110m is expected in Month 11 from Regional Enterprise, so far £0.106m has been received.
- 5.30 £0.029m received from Cadent Gas Street Works in Month 11. Copy invoices requested for outstanding invoices dating from March 2020 to January 2021. A confirmation of the payment date for the outstanding invoices has been requested.

Treasury & Liquidity

- 5.31 The council reported on its mid-year position to Policy & Resources Committee in both the November and January meetings of the Committee.

- 5.33 At Month 10, the council remained in compliance with its agreed Treasury Management Strategy Statement (TMSS).
- 5.34 The council has not undertaken, nor does it need to undertake, further unsupported borrowing to fund its capital programme. This is due to proactive measures taken to forward borrow in line with the TMSS when rates at the Public Works Loans Board (PWLb) were lower than current rates earlier in the financial year.
- 5.35 Through improvements in cashflow reporting, the council has changed its mix of short term investments to improve returns by investing over slightly longer periods. Short term investments are also benefitting from the uplift to the Bank of England base rates by the Monetary Policy Committee (MPC). These rates are currently at 0.5% with potential to rise further when the MPC next sits.
- 5.36 At Month 10, the council held £236m in short-term liquid investments at an average rate of return of 0.401% (range from 0.11% to 1%) generating investment income forecast to £0.750m for the financial year.
- 5.37 At Month 10, the council had long-term borrowing totalling £521.580m from the Public Works Loans Board (PWLb) and older Lender Option Borrower Option (LOBO) loans totalling £62.5m. The council's LOBO loans next come under option in 2024, and should it be advantageous, the council would seek to refinance these at that point in time.

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 10 (January 2022).

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 Barnet Plan for 2020-25 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.

9.2 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 Legal and Constitutional References

- 9.3.1 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.

9.3.2 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.

9.3.3 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; Housing & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; or Environment 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>

9.4 Insight

9.4.1 Whilst not specifically applicable to this report, insight is used to support the financial position forecasted in this report through activity drivers and place-based understanding.

9.5 Social Value

9.5.1 None applicable to this report.

9.6 Risk Management

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

9.7 Equalities and Diversity

9.7.1 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

9.7.2 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.

9.7.3 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

- 9.7.4 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.

9.8 Corporate Parenting

- 9.8.1 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.

9.9 Consultation and Engagement

- 9.9.1 None in the context of this report

9.10 Environmental Impact

- 9.10.1 None in the context of this report

10. BACKGROUND PAPERS

- 10.1 None.