

Policy & Resources Committee

19 July 2022

Title	Chief Finance Officer Report Financial Outturn – 2021/22
Report of	Chair of Policy & Resources Committee
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A: Treasury Management Outturn Report
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Summary

This report contains a summary of the council's revenue and capital outturn for the financial year 2021/22 as at Month 12 (31 March 2022).

The revenue budget outturn is in line with the approved budget for 2021/22 on revenue, made up of an overspend of £4.2m in Adult Services offset by an underspend in Resources of £3.5m and Growth and Corporate Services of £0.6m.

The council's capital programme expenditure outturn for 2021/22 is £270.2m; £72.8m less than the approved budget due largely to the reprofiling of project expenditure in line with expected project delivery timelines.

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

Recommendations

That the committee notes:

1. The final outturn for 2021/22 against the council's revenue budget; the costs of the pandemic and the overall level of commitments against available funding;
2. The current use of reserves, and the outlook;
3. The current position against ringfenced grant funding;
4. The expenditure against capital budgets in the year;
5. The current debt position and related actions;
6. The position with respect to the Saracens Loan agreement.

1. Summary

- 1.1 This report sets out the Council's outturn position for the 2021/22 financial year as at 31st March 2022, the financial impact of the Covid 19 pandemic during 2021/22, and other relevant financial information as at that point. At the end of the financial year, the outturn is reflective of any previously identified risks and opportunities that have materialised 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, for example the current cost of living crisis being driven by Consumer Price Index (CPI) inflation over 9%.
- 1.3 At month 12, the financial outturn for the General Fund (GF) is:
- Overall, the GF is to budget;
 - An overall net contribution to reserves of £15.084m has been made. This figure is comprised of a £21.308m contribution to capital reserves for Community Infrastructure Levy (CIL) receipts in-year offset by £5.228m of CIL drawdowns in year to fund capital expenditure; Covid-19 reserves use of £7.067m; and Collection Fund reserves use of £6.806m. Top ups to earmarked reserves from service areas of £5.675m and for other earmarked reserves, including financial resilience, of £7.202m have been made. This is summarised in Table 1 below; and
 - Expenditure of £36.617m on Covid-19 impacts in the year has been incurred, funded by various Covid-19 grants received in year and in prior years, with the remaining £6.757m earmarked for Covid-19 impacts in future years.

Table 1: Summary Reserves Reconciliation Month 12

Reserves Movement	
	£'000
Service Area Contributions To/(From) Reserves, excluding Covid-19	26,983
<i>Less: CIL Receipts transferred to Capital Grants</i>	<i>(21,308)</i>
Net Service Area Contributions to Earmarked Reserves (a)	5,675
Covid-19 Reserves Movement (b)	(7,067)
Collection Fund s31 Grant Reserves Movement (c)	(6,806)
Financial Resilience and Other Reserves Movement (d)	7,202
CIL Receipts transferred to Capital Grants	21,308
<i>Less: CIL Drawdowns to fund Capital Expenditure in 2021/22</i>	<i>(5,228)</i>
Net CIL Top Up (e)	16,080
Reported Position (a + b + c + d + e)	15,084

2. Revenue outturn position at month 12

Overview

2.1 The council's revenue outturn position for the 2021/22 financial year at month 12 (31 March 2022) and the financial impact of the Covid-19 pandemic during 2021/22 is set out below. Performance against the budget approved by Council in March 2021 is set out in Table 2 and this shows that overall net expenditure is on budget, and in line with previous forecasting. Year-end adjustments in Resources for capital financing have contributed to an unfavourable movement from Month 11, which is offset by favourable movements in Environment and Growth & Corporate Services. The outturn position is presented after a net contribution to reserves of £26.983m, of which £21.308m is a transfer of Community Infrastructure Levy (CIL) to capital grants. The net value of £5.675m relates to service specific earmarked reserves. Earmarked reserves were previously set aside against anticipated future expenditure. There were service specific contributions to earmarked reserves totalling £10.482m from Growth and Corporate Services, Resources, Assurance and Adults. £4.808m of earmarked reserves were drawn down across Children and Family Services, Environment and Public Health. Further details are set out in Table 4.

Table 2: Revenue Outturn at Month 12

Service Areas	2021/22 Budget	M12 Outturn	Non C19 Reserves applied	M12 Outturn after Reserves	Variance after Reserves	M11 Variance
	£'000		£'000	£'000	£'000	£'000
Adults and Health	103,650	106,090	1,804	107,894	4,245	4,127
Children's Family Services	74,634	75,445	(785)	74,661	27	165
Environment	15,394	18,217	(2,692)	15,526	132	410
Growth and Corporate services	40,538	17,788	22,102	39,891	(647)	(373)
Assurance	7,024	4,194	2,631	6,824	(199)	(139)
Resources	73,586	64,827	5,253	70,080	(3,506)	(4,139)
Public Health	18,277	19,557	(1,331)	18,226	(51)	28
Total at Month 12	333,101	306,118	26,983	333,101	0	80

Non-Covid expenditure

2.2 The outturn for non-Covid “business as usual” income and expenditure is in line with the approved budget despite movement across the service areas. Table 3 provides a breakdown of the movement from month 11 in non-Covid variance as at month 12 with commentary.

Table 3: Non-Covid Expenditure - movement in variance from month 11 – 12

Service Areas	Month 11 non-COVID variance	Change	Month 12 non-COVID variance	Commentary
	£'000	£'000	£'000	
Adults and Health	4,127	117	4,245	Small adverse net movement from month 11, main areas as follows: - additional costs associated with the Aphorp Care Home decant and transformation work across Your Choice Barnet - increase in Learning Disability placements in Qtr. 4 - offset by an increase in health income and client income - reduction in workforce costs as agency spend in Quarter 4 was lower than expected due to recruitment delays.
Children's Family Services	165	(138)	27	The main driver of the favourable movement was the receipt of £0.122m of unexpected grant income. Other adverse movements in Looked After Children Placements were offset by favourable movements in assessment, intervention and planning and Early Help.
Environment	410	(278)	132	Favourable movement due to settlement of penalties incurred by Barnet Street Lighting of £0.507m, in addition to savings in the Special Parking account arising from the delayed start of the abandoned car removal service and an underspend as a result of NSL staff absences £0.259m, lower than anticipated Coroners Court levy, £0.128m and other favourable variances totalling £0.019m. However, this is partly offset by an underachievement of £0.635m of LIP income in the Re managed budgets
Growth and Corporate services	(373)	(275)	(647)	Mainly the result of a £0.280m underspend in the Commercial Management legal budget. This was retained to fund legal costs for the strategic contract review, which did not materialise this year.
Assurance	(139)	(60)	(199)	Favourable movement in organisational resilience £0.310m, due to lower than expected insurance settlements. This is the result of fewer claims in the last two years during Covid lockdowns. Claims are generally settled in future years. Claims have reverted to expected levels this year, so settlements are expected to return to budgeted levels. Offset by £0.244m overspend in Community safety, where some costs relating to prior years materialised at year-end.
Resources	(4,139)	633	(3,506)	The net movement from M11 reporting is due to a reduction in the HRA interest recharge and support service recharge. Overall, underspend driven primarily through improvements in capital financing - taken on borrowing at a lower rate than budgeted and there have been improved returns on long-term investments and there have been higher than expected income amounts relating to council tax and NNDR court costs awarded.
Public Health	28	(79)	(51)	Slight increase in Covid application - £0.03m Underspend against non-ring fenced grant relating to debt vulnerability project - £0.04m plus small variances of £0.009m across various budget heads.
	80	(80)	0	

Application of Reserves

2.3 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.

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

Table 4 Use of or top-up of reserves at Month 12

Service Areas	Forecast (drawdown) / top-up to reserves	Commentary
	£'000	
Adults and Health	1,804	Omicron Support Grant carry forward - £0.362m Clinically Extremely Vulnerable grant carry forward - £0.659m Joint Project work with various Health Partners - funding received and allocated to reserves pending drawdown when work commences - £0.783m
Children's Family Services	(785)	£0.533m drawdown to support staffing requirements in troubled families, £0.297m intervention and planning management, £0.097 fostering along with a variety of smaller drawdowns. There was also a £0.307m deposit in clinical services reserve in anticipation of CCG clawback.
Environment	(2,692)	Drawdowns include Special Parking Account £2.796m COVID funding; Trees and Pleasant Parks £0.679m; partly offset by top up to reserves for Garden Waste £0.450m; Street Scene annual leave £0.122m and IT system implementation £0.120m and Re Highways flood grant £0.096m.
Growth and Corporate services	22,102	£21.308m Barnet CIL income received in-year moved to reserve to fund future year projects. £0.403m transfer to the Brent Cross Retail Park reserve. £1.650m top up for Flexible Homelessness Support Grant (FHSG) and other grants which will fund qualifying expenditure in future years. £0.450m Colindale Feasibility - grant income for specific feasibility for the regeneration of Colindale West £0.235m Strategy and Comms - top up to fund Queen's Jubilee, and Barnet Together on a 2 year basis. £0.0026m top up related to the strategic contract review. Offset by: £1.919m Covid-19 funding drawdown from earmarked reserves. £0.043m Digital Smart Cities drawdown from the Sustainable Infrastructure Enabling fund.
Assurance	2,631	£0.745m top up of corporate reserves for income received in year for the legal gain-share. £0.288m top-up to the elections reserve to fund the local elections in May 2022. £0.015m Top up for the Mayoral Car. £0.038m Top up for Internal Audit CCAS income to fund future year commitments. £0.136m top up of the CAFT reserve to cover timing delays on court receipts. £0.106m Governance top up to fund the Members Post-Election IT Project £0.212m top up to fund statutory Food safety regulatory costs spanning two financial years. £1.092m Corporate finance reversal of historic goods receipts, which were moved to general reserves.
Resources	5,253	£1.0m top up to Revs and Bens Housing Benefit reserve to support 22/23 expenditure relating to crisis fund and DHP shortfall. £0.338m drawdown relating to the Test and Trace COVID grant scheme. £0.319m top up to the Revs and Bens reserve for potential court fee refunds expected to have a decision in 22/23. £0.2m drawdown from the crisis fund reserve to cover crisis fund expenditure in 21/22. £0.7m top up to the capital financing reserve- £0.5m for decapitalisation of highways and £0.2m for the system replacement cost. £3.415m MTFS reserve top up for future years £0.354m New Burden grant top up to support future expenditure in 22/23
Public Health	(1,331)	Drawdown from Ring-fenced PH Grant - (£0.073m) Practical Support Grant carry forward - £0.755m Test and Trace grant drawdown - (£0.346m) COMF grant drawdown (£1.668m)
Total	26,983	
Capital - Community Infrastructure Levy	(21,308)	Transferred to Capital Reserves
Total after capital transfer.	5,675	

Savings

- 2.5 The budget for 2021/22 included planned savings of £10.590m. The outturn set out in Table 2 includes the achievement of 76% of this target (£8.013m) as shown in Table 5.
- 2.6 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. Achievement of these savings is included in the 2021/22 outturn.
- 2.7 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 are in place, so there is not expected to be longer-term pressures on budgets into 2022/23.
- 2.8 The planned saving of £0.405m against placement costs in Children and Family service was not achieved to delays in building works caused by various Covid-19 delays for in-borough settings. Greenbank Children's Homes is now coming into use and occupancy rates are gradually increasing as the inspections from OfSTED are completed. Refurbishment work is still continuing at Meadow Close which is impacting on the capacity of the home causing it to operate at 50% capacity. Once both sites are fully operational, the saving is anticipated to be delivered.
- 2.9 Underachievement in Environment is due primarily to the delayed rollout of the CPZ programme. Continued delivery of the programme is planned for 2022/23 and is being monitored closely by the Streetscene service who will put in place mitigations if it is at risk of partial non-delivery.
- 2.10 The overachievement in Growth and Corporate Services savings is due to an increase in Registrars' income above the MTFs target. This was the result of a backlog of demand for services delayed through the pandemic. This overachievement has been reflected in the council's MTFs to 2027.

Table 5 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 achieved as at 31 March	(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	512	1,514	74.73%	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	8,013	2,577		2,458	2,458	0	
Percentages	100.00%	75.67%	24.33%		100.00%	100.00%	0.00%	

Covid-related spending

2.11 Based on latest information, it is estimated that expenditure on activity related to Covid-19 is £36.617m in 2021/22. £6.757m (c. 16%) of available funding is not yet formally committed – however these funds are earmarked and expected to be fully utilised to support continued COVID-19 recovery.

Table 6: Summary of Covid-19 related funds and associated spend at month 12

Service Areas C19 at Month 12	C19 forecast	Commentary
spending	£'000	
Adults and Health	17,456	Specific grant funding for Infection Control, Rapid Testing, Workforce Capacity and Local Support Grant £9.180m, Hospital discharge funding £.922m, Leisure disruption SPA income £1.843m, ASC workforce pressures £1.886m, Placement related pressures £2.964m
Children's Family Services	3,406	£0.991m COVID Local Support grant, £0.397m increased payments to support the work of social care team, £0.231m for family assessment, £0.248 social worker cover, £0.500m High quality education, £0.316m to support SEN Transport pressures language development, social, emotional and mental health needs, £0.092m mental health support teams rolled out across all schools, £0.235m Therapies, and just over £0.346m various others
Environment	4,769	Loss of parking income - fees and charges £4.121m; Loss of commercial waste income £0.246m; Refuse agency costs required for additional vehicle cleaning £0.226m; and PPE & Sanitisation £0.106m and Mortuary £0.070m
Growth and Corporate services	3,464	Increased temporary accommodation demand (£0.478m), Re Guaranteed Income shortfall (£1.026m), Employment and skills staffing and support and Entrepreneurial and Training programmes (£0.478m), print contract reimbursement (£0.130m), staff diverted from standard duties (£0.139m), CSG Procurement Volumes increases and other as hoc (£0.156m), Town Centre redevelopment (£0.175m), re-opening of high streets safely (£0.382m), Strategy and Communications priorities (£0.294m) and Maximising the 0365 roll out benefit (£0.120m)
Assurance	1,217	Enforcement team relating to COVID-19 street patrols and Fixed Penalty Notices (FPN) £0.585m; staff diverted from standard duties, including patrol officers £0.376m, Emergency responders £0.033m; Anti-Fraud officers investigating COVID-19 grant and business fraud £0.94m. Loss of Fixed Penalty income £0.050m, IT systems £0.079m.
Resources	338	Discretionary test and trace
Public Health	1,503	Test and Trace support £0.346m, Contain Outbreak Support i.e., VCS sustainability, support for Homelessness, Bereavement services etc £1.148m
Schools	1,564	Catch up premium £1.051m; Recovery £0.516m
Housing Revenue Account	2,900	£1.950m Housing Acquisitions and £0.950m additional costs due to labour shortages and constructions delays as a direct result of the pandemic
Funding carried forward to support continued COVID recovery	6,757	
C19 costs as at Month 12	43,374	
Funding Summary	£'000	
funds brought forward from last year	13,824	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).
<i>additional funds in 21/22:</i>		
- Sales, Fees & Charges reimbursement	903	Based on the extension of the 2020/21 scheme from 31 March 2021 to 30 June 2021
- 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	16,500	Other funding available in 2021/22, including extensions on Track and Trace, COMF, CEV etc.
Known funding at Month 12	43,374	

Budget Changes

- 2.12 At the December 2021 meeting of this committee, the following virements for budgets were approved:

£0.500m from Contingency to Assurance for future costs on the insurance contract.

£2.600m from Contingency to Environment to reverse the 2020/21 additional income target budget for car parking. This saving was agreed prior to the Covid-19 pandemic when parking activity significantly reduced and has not, as yet, recovered to pre-pandemic levels. The service will continue to monitor income levels and opportunities to support the Medium Term Financial Strategy if parking activity does recover to or beyond pre-pandemic levels.

Reserves

- 2.13 Based on the paragraphs above, the reserves balances at year-end are shown in Table 7 (below). It is to be noted that capital reserves movements are made up of a drawdown from CIL of £5.228m and a top-up of CIL receipts of £21.308m. The council has continued to utilise Covid-19 funding to support recovery, both for the General Fund and for its Collection Fund, a total drawdown of £13.873m. Other earmarked and non-earmarked reserves have been topped up by £12.877m. It is important to note that outside of the net increase in capital reserves the council's revenue reserves are broadly similar, closing on £126.679m from a brought forward balance of £127.675m.

Table 7 Reserves Balances at month 12

Reserve Movements	Balance Brought Forward	net change	Resulting balance
	£000s	£000s	£000s
Revenue Reserves - non-earmarked	39,433	7,202	46,635
Revenue Reserves - earmarked (non-Covid-19)	30,145	5,675	35,820
Total Revenue Reserves	69,577	12,877	82,454
Revenue Grant - unapplied (Covid-19, general fund)	13,824	(7,067)	6,757
Revenue Grant - unapplied (Council Tax / NNDR)	30,825	(6,806)	24,019
Revenue Grant - unapplied (Brent Cross Designated Area s31)	13,449	0	13,449
Grant unapplied	58,098	(13,873)	44,225
Total Revenue Reserves & Grant Unapplied	127,675	(996)	126,679
Capital Reserves	16,067	16,080	32,147
Total All	143,742	15,084	158,826

- 2.14 The above table includes values for brought forward revenue grants unapplied relating to Covid-19 of £13.824m for general fund-related allocations, £30.825m for collection fund (business rates) related balances and Designated Area s31 receipts of £13.449m.
- 2.15 It is expected that revenue reserves are to be topped up to the value of £82.454m and £6.757m of Covid-19 grant unapplied will be carried forward.
- 2.16 Revenue grants unapplied relating to the collection fund (business rates) of £24.019m and £13.449m of s31 'designated area' receipts will be carried forward.

- 2.17 Overall, reserves brought into the year amount to £143.742m. Capital reserves were topped up by £16.080m and £0.996m of revenue reserves and grants applied, leaving an estimated carry forward of £158.826m.

3. Ringfenced funding

Housing Revenue Account (HRA)

- 3.1 The HRA budget has been set in line with the 30-year business plan and approved by meetings of the Housing & Growth and Policy & Resources Committees in February 2022.
- 3.2 The HRA, excluding capital charges and depreciation, was £0.068m adverse to budget, a favourable movement of £1.547m from M11. This includes:
- £0.672m favourable movement in 'other costs' was due to fewer site clearance costs on HRA estates, which are earmarked for Regeneration in the next couple of years.
 - £0.563m favourable movement in provision for Bad debt as £0.250m of expected write-offs in March, were not processed. Additionally, rents in arrears were 15% lower than expected in March 2022.
 - £0.475m favourable movement in Regeneration costs. The service was able to recharge developers and partners more than expected in March 2022
 - £0.101m favourable movement due to lower insurance recharges to the HRA by the Resilience & Assurance service.
 - £0.097m favourable movement in interest income on HRA cash balances.
 - £0.447m adverse movement in the Repairs and Maintenance fee, due to an accrued insurance re-claim (income) from FY19/20 which was not achieved. To be prudent, as this is taking much longer than expected, this income has not been re-accrued resulting in the variance.
- 3.3 Movement in the capital charges and depreciation element of the HRA (capital charges and depreciation) in M12 are as follows:
- RCCO is projected to be £1.933m, a movement of £1.548m from M11. To mitigate the adverse movement in the controllable elements of HRA.

Table 8 HRA Reserves Balances at month 12

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)

3.3 The outturn position for the DSG for 2021-22 is an underspend of £1.627m against available resources. Table 9 below provides a further breakdown.

Table 9 DSG Expenditure and Grant Income at month 12

	2021/22 Outturn	Budget	Month 12 Provisional Outturn after reserves	Month 12 variance after reserves
	£000	£'000	£'000	£'000
Expenditure	-			
Schools:				
- Individual Schools Budget	150,504	150,222	150,578	282
- ESG retained funding	700	700	700	(0)
- Growth Fund	0	2,814	0	(2,814)
- Central schools expenditure	2,194	2,193	2,216	0
Sub-total	151,204	153,736	153,494	(2,531)
Early Years Block	28,683	29,278	28,348	(596)
High Needs Block	57,028	55,528	56,840	1,500
Sub-total	85,711	84,806	85,188	904
Total	239,108	240,735	238,682	(1,627)
Income				
DSG Income	(240,735)	(240,735)	(240,735)	0
Total	(240,735)	(240,735)	(240,735)	61
Net DSG 21/22	(1,627)	0	(2,053)	(2,053)

3.4 The DSG reserve brought forward into 2021-22 was £3.244m. The underspend in-year has been added to the reserve and the carried forward balance for 2022-23 and future years is £4.870m.

Table 10 DSG Reserves Balances at month 12

DSG reserves	B/Fwd	C/Fwd
	£'000	£'000
DSG Reserve	(3,244)	(4,870)
DSG Reserves	(3,244)	(4,870)

3.5 There is a £2.814m underspend within the growth fund. This is unchanged from previous months.

3.6 Early Years – The allocation was adjusted downwards due to reduced pupil numbers. Despite this, there is still an outturn underspend of £0.930m

3.7 High Needs – Tripartite funding for children and young people with social care requirements and with an Education, Health and Care Plan (EHCP) has contributed to an overspend of £1.5m on the block for 2021/22. This will be monitored closely through 2022/23 and future years to ensure the sustainability of the DSG.

Public Health Grant

3.8 The ringfenced public health grant of £17.817m overspent by £0.073m due to additional agreed service commitments partially offset by underspends in some of the demand led services. This overspend has been mitigated by a corresponding drawdown from the ring-fenced grant reserve.

Table 11 Public Health Grant forecast

Public Health Grant	2021/22 Budget	2021/22 Outturn	Variance
	£000	£000	£000
Public Health services (PH grant funded)	17,817	17,890	73
Public Health Services	17,817	17,890	73

3.9 The Public Health Grant Reserve at outturn is reported at £1.828m, after a drawdown of £0.073m.

Table 12 Public Health Grant Reserve forecast

Reserves use	brought forward	Actual carry forward
	£000	£000
Public Health reserve	1,901	1,828

Special Parking Account (SPA)

- 3.10 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 13 below illustrates the outturn position for the SPA and the appropriation to the general fund. It shows an outturn of net receipts of £9.352m against the budget of £14.094m.

SPA reserves brought forward into the year is £1.311m and after nil movement the balance carried forward is the same.

- 3.11 The losses arising from this underachievement of income amount to £3.921m, which is recovered from one-off Covid-19 funding (shown elsewhere in this report).

Table 13 SPA Forecast

SPA Accounts	2021-22 Budget	2021-22 Outturn		
	£'000	£'000	£'000	£'000
Income	Budgeted SPA Account	M12	M12	M12
		Outturn Excluding Covid-19	Funded Covid-19 losses	Forecast Outturn
Penalty Charge Notices	(16,275)	(9,047)	(3,558)	(12,605)
Residents Permits	(3,020)	(3,554)	-	(3,554)
Pay & Display	(3,990)	(3,093)	(363)	(3,456)
CCTV Bus lanes	(370)	(940)	-	(940)
Total Income	(23,655)	(16,634)	(3,921)	(20,555)
Budget Income Adjustment	2,600	-	-	-
Total Income after adj.	(21,055)	(16,634)	(3,921)	(20,555)
Operating Expenditure (running costs)	6,961	7,282		7,282
Net Operating Surplus	(14,094)	(9,352)	(3,921)	(13,273)
Appropriation to General Fund	(14,094)	(9,352)	(3,921)	(13,273)

4 Capital Programme

4.1 The capital outturn for 2021/22 is £270.241m, of which £200.437m relates to the General Fund programme and £69.804m relates to the HRA capital programme.

Table 14 Current Financial Year Forecast Capital Outturn

Service Area	2021/22 Budget	Re-profiled (to)/from future years	2021/22 Outturn	Variance from Approved Budget
	£000	£000	£000	£000
Adults and Health	4,547	(1,108)	3,439	(1,108)
Children's Family Services	15,795	(28)	15,767	(28)
Assurance	330	(330)	-	(330)
Growth and Corporate services	100,593	(32,458)	68,136	(32,458)
Environment	20,029	(5,379)	14,650	(5,379)
Brent Cross	123,568	(25,689)	97,879	(25,689)
Resources	567	0	567	0
General Fund Programme Total	265,429	(64,992)	200,437	(64,992)
HRA	77,584	(7,780)	69,804	(7,780)
Grand Total	343,013	(72,772)	270,241	(72,772)

4.2 The key variance since updating the programme overall is the in-year delay and re-profiling of budgets in Growth and Corporate Services of £32.458m, Brent Cross of £25.689m and Environment of £5.379m.

In addition to the reported outturn a further £1.189m for the Borough Cycling Programme and Local Improvement Plan (LIP) was approved at June 2022 P&R committee.

Funding of the Capital Investment Programme

4.3 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 15 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	2,738	0	0	0	526	174	3,439
Children's Family Services	14,965	0	53	0	136	346	15,499
Assurance	0	0	0	0	0	267	267
Growth and Corporate services	5,031	155	4,303	0	1,380	57,236	68,104
Environment	2,015	451	22	0	2,126	10,067	14,682
Brent Cross	96,181	0	0	0	0	1,698	97,879
Resources	0	567	0	0	0	0	566
General Fund Programme	120,931	1,172	4,378	0	4,168	69,788	200,437
HRA	1,815	0	1,084	42,015	0	24,890	69,804
Total Capital Programme	122,747	1,172	5,461	42,015	4,168	94,678	270,241

4.4 **Brent Cross** – The 2021/22 outturn position indicates re-profiling of £25.689m required across all elements. The latest programme update is available in the Housing & Growth Committee papers for the June 2022 meeting.

- **Land Acquisitions** – The 2021/22 outturn position is re-aligning £0.017m into the next financial year, this is part of the £25.689m shown within table 10 above. The minor variance relates to a combination of favourable positions on property acquisitions, resource charges and legal fees offset by additional pressures on design & planning fees and architect fees.

Brent Cross West Station – 2021/22 outturn position is re-profiling £18.622m into the next financial year, this is part of the £25.689m shown within table 10 above.

- **Delivery packages**

- **Station Construction** re-profiling programme as a result of cancelled or shortened possessions has impacted the subcontractor progress on site, underspend on recent station Schedule 4 possession charges. The Station Eastern Entrance Block programme realignment and key packages not commencing (Escalators, Lifts, Roof Glazing and Mechanical, Electrical and Plumbing)
- **Rail Systems and Sidings** - Minor additional expenditure due to timing differences in the financial year incurred. These were originally anticipated to take place in the prior year.
- **TOC Accommodation & Fuel Farm** - Re-profiling due to delays to as built design drawings and associated Network Rail APA costs.

- **Regeneration Packages**

- **Waste Transfer Station** – Re-profiling due to contractor start on site slower than anticipated on the Stage 1 works
- **Intergrated Programme Management Office Delivery** – Re-profiling due to a provision of legal expenditure not required in year and net benefit on utilisation of resources realised.
- **Land Purchase Costs** - Re-profiling due to Joint Venture partner support works to be delivered and charged, Network Rail retention funds to be requested offset by an increase in a commercial property estimate aligned to the latest offer submitted.

- **Critical Infrastructure** – 2021/22 outturn position indicates re-profiling £3.160m into the next financial year, this is part of the £25.689m shown within table 10 above.

- **Substation** – Re-profiling due to a change in the current drawdown profile
- **Southern Junctions** - Re-profiling due to revised Price Cost Estimate (PCE) position in March 2022 versus the December 2021 position.
- **Cardiff House** - Re-profiling based on the revised PCE estimate in March 2022 and deferred legal fees to complete the purchase in 2022/23.
- Minor re-alignments across the remaining packages in relation to utilisation of resources lower than forecast based on actual activity incurred.

- **BXT Land Acquisitions** –2021/22 outturn position indicates re-profiling £3.890m into the next financial year, this is part of the £25.689m shown within table 10 above. The re-

alignment relates to properties deferred into future years as well as the legal and resource requirements associated with the deferrals.

4.5 Growth and Corporate Services –£32.458m net re-profiling to future years against the £100.593m capital programme budget in the current year. This is mainly due to:

- Depot Relocation amounts of £0.295m due to:
 - reduced in-year technical fees following changes in design scope
 - re-programming of re-surfacing works at the former Brogans site, to minimise disruption to seasonal winter gritting operations.
- Asset Management amounts of £0.440m where projects have been re-profiled into next financial year. This is the result of delays due to weather conditions and resource availability.
- Development Portfolio amounts of £0.913m
 - Programme delays, provisional sums forecasted for Customer Support Group, planning performance agreement, and contingency, were not drawn down.
- Eleanor Palmer Trust Land disposal was deferred to future years, and Trinity Church professional fees have not progressed as the council negotiates an agreement.
- Town Centre amounts reprofiled to future years of £0.587m due to project delays on new Finchley Square – now due to start on site in Q2 22/23.
- Town Centre Strategic Community Infrastructure Levy (SCIL) amounts reprofiled to future years of £0.450m, as capital funding was replaced with Covid-19 grant monies, alongside project delays in some town centres.
- Milespit Cemetery Works programme amounts reprofiled to future years £0.171m.
- Window Replacement at Apthorp Care Centre, Firestopping Works and Care Homes Maintenance budgets should be merged going forward. Accelerated expenditure of £1.242m due to the completion of essential works which were safety critical was incurred compared to budget.
- Colindale Future of Work (FoW) Modifications amounts reprofiled to future years of £1.040m, due to project commissioning delays.
- Family Friendly Hub Fitout amounts reprofiled to future years of £0.139m due to surveys & some technical resources being deferred, whilst the project approach is being reviewed following discussions with Family Services.
- The Burroughs, Hendon was re-profiled by £6.992m as the project has been impacted by COVID-19.
- Colindale Station Works Capital project £2.858m underspend where the amount is due to be passported to TFL for station redevelopment works, as per the Funding Agreement, however a decision from TFL on whether to proceed with the project is pending. As a result, the entire amount has been reprofiled into the next financial year.

4.6 Children's and Family Service –The outturn for the capital programme was £15.767m against a budget of £15.796m, an underspend of £0.029m.

- 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 was £1.507m of underspends reprofiled to future years across the remaining programme.

4.7 Adults and Safeguarding – The Adults and Safeguarding Capital budget for 2021-22, reported an underspend of £1.108m at period 12, to be reprofiled to future years, details are as follows:

- The leisure centres outturn position reported re-profiling of £0.039m mainly 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 was underspent at P12 by £0.205m. This figure is flagged for deletion as the budget is no longer required to meet any future commitment.
- Community Equipment expenditure is incurred as a revenue item initially. A review of final activity data for the council that can be capitalised has resulted in an outturn underspend of £0.474m. This amount is to be profiled over future years' budgets.
- Disabled Facilities Grant - final year end underspend of £0.391m. Delayed expenditure from 2020/21 has been re-profiled over the next two financial years

4.8 Environment – The outturn of £14.650m is against the approved budget of £26.062m with £5.379m of delayed expenditure due primarily to the re-profiling of Vehicles, Park Infrastructure West Hendon and the CPZ programme.

4.9 Resources – The 2021/22 outturn for the capital programme was on budget.

HRA Capital Investment

4.10 The HRA Capital outturn of £69.803m represented an underspend of £7.782m, which is to be re-profiled into 2022/23. Material variances include:

- £2.692m was reprofiled to future years on Acquisition Phase 3 (Greater London Authority) programme. Programme approved in February 2022 and was incorrectly profiled for FY21/22.
- £1.454m was reprofiled to future years on Acquisition Phase 2 programme, due to a lack of suitably priced properties that met the council's housing needs coming on the market.
- £1.335m was reprofiled to future years on Acquisition Phase 3 (Right To Buy) programme. Programme approved in February 2022 and was created in a single accounting period. It has not been reprofiled in line with project timescales.
- £1.170m acceleration on Regeneration Stock - Additional Investment programme is due to works moving faster than expected.
- £1.415m was reprofiled to future years on Stag House is due to several issues, including specification requirements being altered and supply chain delays for materials.
- £1.852m was reprofiled to future years on Extra-Care Cheshir House programme is due to delays in obtaining vacant possession of the site, which are now resolved.
- £1.058m acceleration to the Voids and Lettings programme due to the volume of properties in need of capital works.

5 Revenues, debt, and treasury management

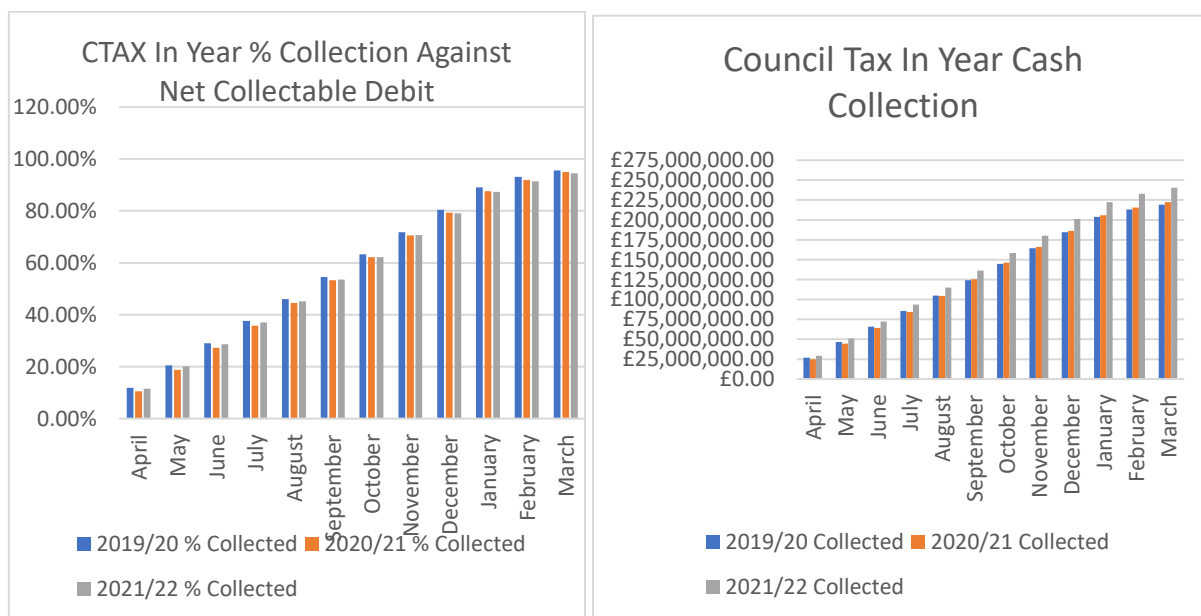
Collection Fund – Council Tax

5.1 Overall collection slightly reduced compared to last year at 94.46%, this is 0.48% lower than March 2021, and 1.19% lower than the previous year (i.e., pre-pandemic). In cash terms, current collection levels are £18.104m higher than last year and £21.616m higher than March 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.

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 12 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 £0.075m 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 £0.527m. This can also be managed through the Collection Fund Adjustment Account.

5.4 The charts below show the comparison of collection rates and cash values over the three years.



5.5 The council had a £0.992m deficit from prior years to fund with respect to Council Tax. This was held separate to Business Rates in the Collection Fund where funds received for the Brent Cross Designated Area provided some headroom to manage collection risks around Business Rates. As part of the Government response to Covid-19, a Tax Income Guarantee (TIG) scheme was set up, and the council received £1.6m based on its Net Collectible Debit and amounts collected. The TIG funding has been utilised to manage this deficit in 2021/22.

5.6 A review of the prior year's arrears position highlights a growing aged debt position. This is partly as a result of the council not undertaking write offs during the Covid-19 pandemic as resources were reprioritised to respond to the crisis and support residents. The council also paused recovery on all debt categories in the first 6 months of the pandemic as part of its programme of support, this has also contributed to the growth in the aged debt.

5.7 Table 16 provides an analysis of outstanding debt at year-end as a percentage of the net collectable debit (NCD), which is the total amount of Council Tax billed to residents, with a notable spike in 2020/21

Table 16 Aged Debt Analysis

Year	O/S debt	NCD	% of NCD o/s	Movement
	£000	£000	£000	£000
18/19	41,495	213,045	19.48%	
19/20	46,631	228,946	20.37%	0.89%
20/21	54,993	234,357	23.47%	3.10%
21/22	63,822	254,699	25.06%	1.59%

5.8 Table 17 provides the number of households in arrears alongside the percentage of the total tax base. The number of households in arrears continues to rise in line with the outstanding debt which may indicate a worsening of residents' financial wellbeing.

Table 17 Aged Debt Analysis

Year	Households in arrears	Tax Base	% of households in arrears	Movement
	£000	£000	£000	£000
18/19	62	152	40.53%	
19/20	65	154	42.35%	1.82%
20/21	70	155	45.01%	2.66%
21/22	75	157	47.61%	2.61%

5.9 Further analysis of the aged debt position will take place during 2022/23 to support the work around the council's Cost of Living response and reduce the aged debt in the process.

Collection Fund – National Non-Domestic Rates (NNDR)

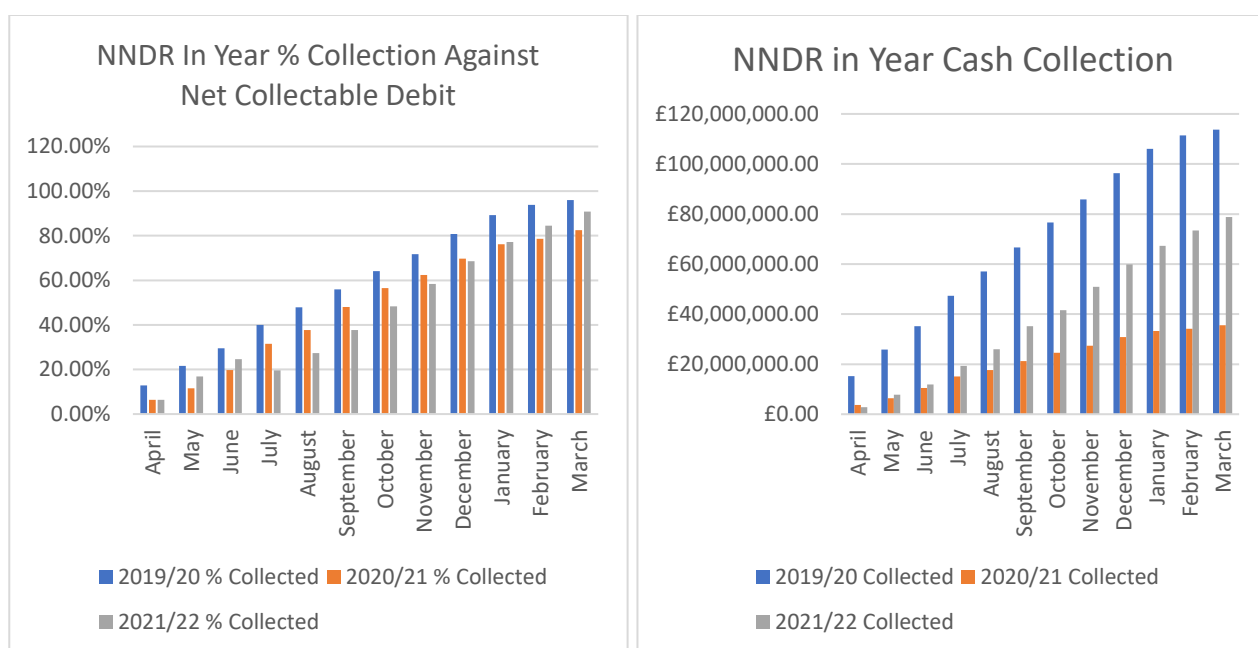
5.10 The Business Rates collection rate at year end was 90.83%, an increase of 8.41% compared to March 2021. This showed a significant improvement on the -1.06% position at the end of Quarter 3. The final position was down by 5.12% on March 2020 (pre-pandemic).

5.11 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) the review concluded there was not expected to be a net deficit arising to the Collection Fund from business rates in 2021/22.

5.12 In cash terms, the council is £43.613m above the position 12 months ago but £35m below the position 24 months ago (pre-pandemic). The cash collection is impacted by the Net Collectible debit (NCD) in each year. In 2021/22 the NCD in March was £86.7m, £43.485m higher than 2020/21 but £31.868m below 2019/20. The NCD is reduced by the amount of grant received by the council for expanded retail reliefs, for example. In 2021/22, the council received £58m in business rate reliefs.

5.13 At year-end, the council was able to reduce its requirements for appeals, specifically for the Major Changes in Circumstances appeals, whilst holding its bad debt appeal flat based on the aged debt profile for NNDR. These changes created a small surplus of £0.602m on the Collection Fund for in-year performance.

5.14 During Q4 2021/22 business rates collection saw a month on month increase in collection despite continuing to process Business Support Grants. January 2022 was up 1.01% on January 2021, February was up 5.86% and March 8.41%.



Emergency financial support for residents

5.15 Emergency support is in the form of Discretionary Housing Payments (DHP), Discretionary Council Tax Discounts and Crisis Fund payments.

- DHP has seen a 18.07% decrease against last year (pandemic), however the full Department for Work and Pensions’ allocation has been awarded.
- Discretionary Council Tax Discounts (Section 13A payments) has seen a 5.66% decrease against March 2021.
- Crisis Fund awards are 18.37% higher than March 2021. The main driver for the crisis fund increase is owing to the widening 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 to support residents both in the Covid-19 recovery period and subsequently the impact of rising inflation and cost-of-living increases.

Court Costs

5.16 Court costs awarded and collected have significantly increased compared to 2020/21. March 2022 costs awarded are up 52.1% on March 2021, however down 7% on March 2020. The budget income target of £1.689m has been exceeded by £0.370m.

5.17 Court costs collected in March 2022 are £1.379m. This is 241.8% 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, March 2022 is down on January 2020 (pre-pandemic) by 0.08%.

Housing Benefit Overpayments (HBOP)

5.18 Housing Benefit Overpayment Collection for March 2022 is £2.646m. This is a 64% increase on the same on period last year (£1.037m), and a 4283% increase on the same period in 2019-20 pre-pandemic, (£0.793m).

5.19 The budget income target of £2.159m has been achieved.

Sundry Debt

5.20 Between February 2022 and March 2022 overall debtors increased by £32.779m. An analysis of debtors as at the 31 March 2022 is provided below at Table 18. It should be noted that this information is a snapshot as at that date and the overall position varies.

5.21 Overdue debtors (up to 30 days and older) as at 31 March 2022 was £22.234m a decrease of £10.431m for the same period in 2021 where the outstanding balance was £32.665m.

Table 18 Aged Debt Analysis as at 31 March 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 12	37,430	7,436	1,053	1,012	12,732	59,663
Month 11	7,647	2,525	1,207	833	14,672	26,884
Movement	29,783	4,911	-154	179	-1,940	32,779

5.22 Table 19 gives detail of the top ten individual debts by debtor, totalling £33.319m.

Table 19 Top 10 debtors as at 31 March 2022

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	25,501	21,759	2,466	50	80	1,145
The Fremantle Trust	1,357	0	0	0	0	1,357
Barratt Metropolitan LLP	1,335	674	648	0	0	13
Barnet Enfield & Haringey Mental Health Trust	567	503	5	0	0	59
Conway Aecom	485	485	0	0	0	0
Affinity Water	423	34	388	2	0	-0.984
Royal Free London NHS Foundation Trust	340	340	0	0	0	0
Middlesex University	316	321	4	0	0	-9
Mayor's Office for Policing and Crime	245	189	50	0	0	6
NHS Enfield CCG	201	0	0	0	0	201
Total	30,770	24,306	3,562	52	80	2,771

5.23 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 March 2022, the level of overdue debt related to individuals who receive adult social care services was £9.635mm. 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 12, the project has recovered £1.13m.

5.24 The NHS North Central London CCG total debt has increased overall, however a large proportion of this debt is not overdue as at 31st March 2022, with much relating to quarter 4 invoices issued in March 2022. The position on debt over 90 days is at its lowest level at any point during the year. Work continues to ensure prompt payment of invoices raised.

5.25 The Fremantle Trust debt remains subject to legal review and ongoing discussions with the debtor. It was hoped to resolve this debt for 31 March 2022 but substantiating differences between parties remains an issue..

5.26 Barratt Metropolitan have paid £1.3m in month 3 of 2022/23.

5.27 £0.508m received from Barnet Enfield & Haringey Mental Health Trust in month 1 of 2022/23 and the Accounts Receivable team are liaising with them on the remainder.

5.28 The Conway AECOM balance has been cleared.

5.29 £0.422m received from Affinity Water in month 1 of 2022/23 and the Accounts Receivable team are liaising with them on the £0.0058m remaining.

5.30 Copy invoice £0.340m issued to Royal Free London NHS Foundation Trust for payment following their request.

5.31 The Middlesex University balance has been cleared.

5.32 Received £0.185m from Mayor's Office for Policing and crime in month 1 of 2022/23 and the Accounts Receivable team are liaising with them on the remainder.

5.33 Discussions are ongoing regarding the NHS Enfield CCG debt alongside the other CCG debts

Treasury & Liquidity

5.34 The council reported on its mid-year position to Policy & Resources Committee to the November meeting of the Committee. A new Treasury Management Strategy Statement (TMSS) covering 2022/23 was also agreed by Council on 01 March 2022.

5.35 Throughout 2021/22, the council remained in compliance with its agreed TMSS covering 2021/22. The full out-turn report can be found at Appendix A.

5.36 The council has undertaken £100m of new PWLB borrowing in 2021/22 and is currently assessing options to agree forward rates of borrowing covering £180m of borrowing need between 2023/24 and 2025/26 to fund its capital programme. These proactive measures to forward borrow are in line with the TMSS and seek to ensure better value than forecasted rates at the Public Works Loans Board (PWLB) over the same period.

5.37 Through improvements in cashflow reporting, the council has changed its mix of short-term investments to improve returns by investing over slightly longer periods with 37% of investments held beyond 30 June 2022. Short term investments are also benefitting from

the uplift to the Bank of England base rates by the Monetary Policy Committee (MPC). These rates were 0.75% at 31 March 2022, but have risen sharply to 1.25% and are forecasted to rise further when the MPC next sits.

5.38 At Month 12 outturn, the council held £192m in short-term liquid investments at an average rate of return of 0.43% (range from 0.17% to 1.51%) generating investment income of £0.657m for the financial year.

5.39 At the close of Month 12, the council had long-term borrowing totalling £521.58m 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, however given current long-term interest rates are lower than the rates being charged on these historical loans, lenders are unlikely to trigger their options to change the interest rates as this would give Barnet the opportunity to terminate the loans and seek to refinance at lower rates. Further to this, the council has £5m of interest free loans from Salix.

6. Saracens Loan Agreement

- 6.1 The council currently has an agreement with Saracens Copthall LLP (SCLLP), to lend them £23.174m (inclusive of interest), in order for them to be able to build a new West Stand at their stadium at Copthall for completion in May 2022. The final drawdown was made in June 2022 bringing the loan balance drawdown to £22.134m. As at 28 June 2022, the total value of interest accumulated was £1.040m and the total value of the drawdown inclusive of interest to date is £23.174m. A shareholder contribution of £5m will fund the remaining works.
- 6.2 There has been slight slippage in the construction and the contractor is currently reporting a practical completion date of 25 July 2022. Delays have been caused by a combination of Covid related implications and material supply issues, most notably, steel and in connection of the water supply by Thames Water. The external works to the rear of the West Stand including street furniture and landscaping are being phased through August and early September. The loan drawdowns have been made monthly, following verification, including site visits to assess progress on site and these site visits by the council will continue until all works are completed.
- 6.3 Loan repayments to the council are expected to commence in August 2022, and in the same period rental payments from Middlesex University to SCLLP will also commence. It remains secure that the debt will be fully repaid in line with the Funding Agreement by January 2049.

7. REASONS FOR RECOMMENDATIONS

- 7.1 This report contains a summary of the Council's forecast revenue and capital outturn for the financial year 2021/22 as at Month 12 (March 2022).

8. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 8.1 None

9. POST DECISION IMPLEMENTATION

- 9.1 None

10. IMPLICATIONS OF DECISION

10.1 Corporate Priorities and Performance

- 10.1.1 This supports the council's corporate priorities as expressed through the Barnet Plan for 2021-25 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.

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

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

10.3 Legal and Constitutional References

10.3.1 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.

10.3.2 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.

10.3.3 The council’s Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of Policy and Resources committee

(1) To be responsible for:

- Strategic policy, finance and corporate risk management including recommending: Capital and Revenue Budget (including all fees and charges); Medium Term Financial Strategy; and Corporate Plan to Full Council
- Finance including: Treasury management; Local taxation; Insurance; Corporate procurement; Grants; Writing-off debt; Virements; Effective use of resources
- Procurement Forward Plan
- Local Plans (except for matters reserved to Full Council)
- Information Technology
- Strategic Partnerships
- Customer Services and Resident Engagement
- Emergency Planning
- Equalities

(2) To be responsible for the oversight of:

- (a) the overall financial performance of the council
- (b) 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
- (c) the council’s major strategic contracts (Customer Support Group, Development and Regulatory Services, The Barnet Group Ltd (Barnet Homes) and HB Public Law)

including (but not limited to): Analysis of performance; Contract variations; Undertaking deep dives to review specific issues; Monitoring the trading position and financial stability of external providers; Making recommendations to theme committees on issues arising from the monitoring of external providers.

(3) Consider for approval budget and business plan of the Barnet Group Ltd

(4) To be responsible for those matters not specifically allocated to any other committee affecting the affairs of the Council.

· The council's Financial Regulations can be found at:

<https://barnet.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD349&ID=349&RPID=638294>

and this report is prepared under the basis of paragraph 2.4.16 in the Financial Regulations "The Chief Finance Officer will report in detail to Performance and Contract Management Committee at the end of each quarter as a minimum, on the revenue and capital budgets and wider financial standing and will make recommendations for varying the approved budget (revenue and capital) where necessary." Where Policy & Resources Committee has now subsumed the financial monitoring functions of the now-defunct Performance and Contract Management Committee.

10.4 Insight

10.4.1 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.

10.5 Social Value

10.5.1 None applicable to this report.

10.6 Risk Management

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

10.7 Equalities and Diversity

10.7.1 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

10.7.2 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.

10.7.3 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

10.7.4 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.

10.8 Corporate Parenting

10.8.1 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.

10.9 Consultation and Engagement

10.9.1 None in the context of this report

10.10 Environmental Impact

10.10.1 None in the context of this report

11. BACKGROUND PAPERS

11.1 None