	Policy & Resources Committee **29 September 2022**
Title	**Chief Finance Officer Report** **Forecast Financial Outturn at Month 4 (July 2022)**
Report of	Chair of Policy and Resources Committee
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A - Treasury Management Mid-Year Review
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Summary

This report contains a summary of the Council's revenue and capital forecast outturn for the financial year 2022-23 as at Month 4 (31 July 2022). It also contains information on the level of debt and the top 10 debtors as at 31 July 2022 as well as the mid-year treasury and liquidity update.

Officers Recommendations

That committee notes:

1. **the current forecast financial outturn for 2022-23.**
2. **the projected use of reserves.**
3. **the current debt position and related actions.**

1. Summary

1.1 This report sets out the council's forecast outturn position for the 2022-23 financial year as at 31 July 2022.

1.2 At month 4, the forecast financial outturn for the General Fund is:

- Overall, £5.629m overspend, an adverse movement from month 3 of £0.789m;
- An overall forecast position of a net use of reserves of £9.212m;
- Expenditure of £7.943m earmarked in the Corporate Plan for Covid-19 impacts in future years.

1.3 The council is dealing with the cost-of-living challenge as much as residents and businesses in the borough are, with Consumer Price Index (CPI) inflation for July standing at 10.1%. The Monetary Policy Committee is forecasting for this to rise to 13% or more by January 2023. Beneath this headline rate, the council is facing above-inflation pressures arising from energy costs (as an organisation there is no energy price cap) as high as 68% and fuel costs as high as 41% in Quarter 1. There has been a spike in oil prices following a profit protection warning from OPEC around reducing production and US oil reserves dropping to low levels. So, whilst there has been relief at the fuel pumps recently, this may only be temporary.

2 Forecast Position at Month 4

<u>Overview</u>

2.1 As at month 4, the forecast position is a £5.629m overspend on the General Fund, highlighted in Table 1 below. Ringfenced funds are discussed later in this report.

Table 1: Forecast Revenue Outturn at Month 4

Service Areas	2022-23 Budget	Month 4 (Forecast outturn before reserves)	Reserves applied	Month 4 Forecast outturn after reserves	Month 4 variance after reserves	*Month 3 variance*	*In-Month change*
	£m	£m	£m	£m	£m	£m	£m
Adults and Health	111.711	121.477	(4.304)	117.172	5.461	4.838	0.624
Children's Family Services	74.699	75.185	(0.588)	74.597	(0.102)	(0.000)	(0.101)
Customer and Place	51.654	55.358	(3.426)	51.933	0.278	(0.008)	0.287
Assurance	8.655	9.519	(0.873)	8.646	(0.009)	0.011	(0.020)
Strategy and Resources	70.788	70.808	(0.020)	70.788	(0.000)	0.000	(0.000)
Public Health	18.874	18.874	-	18.874	-	-	-
Total at Month 4	**336.380**	**351.222**	**(9.212)**	**342.010**	**5.629**	**4.840**	**0.789**

2.2 Table 2, overleaf, provides a breakdown of the movement in variance between month 3 to month 4.

Table 2: Movement in variance month 4 to month 3

Service Areas	Month 4 variance after reserves	Month 3 variance	In-Month change	Commentary
	£m	£m	£m	
Adults and Health	5.461	4.838	0.624	Movement represents a revision of the potential increase in placement activity for the remaining part of this financial year. Previous client throughput increase adjustments were based on a 1% uplift however a review of quarter 1 activity led to a view that this is unlikely to capture the potential remaining increase. A 2% upward throughput adjustment has now been applied using Quarter 1 activity.
Children's Family Services	(0.102)	(0.000)	(0.101)	Primarily due to a small favourable movement in placement expenditure when compared to M3 forecast.
Customer and Place	0.278	(0.008)	0.287	£0.106m income shortfall in commercial waste and a forecast £0.429m overspend in parking are counterbalanced by additional income forecast for garden waste (£0.308m) and additional income from levy (£0.110m)
Assurance	(0.009)	0.011	(0.020)	Minor movements whilst remaining broadly forecast to budget
Strategy and Resources	-	-	-	The directorate is forecast to budget with no change to prior months
Public Health	-	-	-	The directorate is forecast to budget with no change to prior months
	5.629	**4.840**	**0.789**	

Application of Reserves

2.3 The council holds reserves 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. The levels of reserves are set out under Section 25 of the Local Government Act and prudent levels are determined by the CFO. Earmarked reserves are usually held by specific services, while general reserves are held corporately.

2.4 The use of reserves is not intended to replace savings or income generation opportunities as part of the MTFS. Reserves can only be used once and then they are gone. Any use of reserves to replace savings or income generation opportunities is a delaying action, storing up pressures into future years. This could be part of investing in transformational service delivery and is the ultimate last resort during budget setting when a gap cannot be bridged despite best efforts.

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

Table 3 Use of or top-up of reserves at Month 4

Service Areas	Forecast (drawdown)/ top-up to reserves	Commentary
	£m	
Adults and Health	(4.304)	Earmarked Reserve drawdown - £0.090m Age UK contract £1.887m Earmarked Reserve (Covid support workforce, Prevention Team, Reviewing Officers) £0.100m Transformation reserve drawdown towards staffing commitment. £0.408m Earmarked Reserve drawdown for debt recovery team £0.600m Earmarked Reserve drawdown to support expected losses from Your Choice Barnet (YCB) run Care homes (this figure is likely to increase) £0.439m Earmarked reserve drawdown to support 5 year Tree planting program. £0.299m Earmarked reserve funded Pleasant Park Program to deal with increased demand and environmental related issues. £0.487m Earmarked reserve drawdown to meet the shortfall in management fee income from the councils leisure contract.
Children's Family Services	(0.588)	Net reserves drawdown of £0.588m consisting of drawdowns across Children in Care £0.159m, Commissioning £0.012m, Help and Protection (Early Help 0-19) £0.251m and Clinical Services of £0.166m.
Customer and Place	(3.426)	£1.381m drawdown for sustainability related to staffing and one-off spend on the Sustainability Agenda. This will be reviewed in detail in the coming months. £0.754m drawdown from Homelessness Reserves, to support prevention activities in the current year. £0.607m Brent Cross Retail Park top-up to the Brent Cross Retail Park reserve. £0.359m earmarked flood grant from Environment Agency drawn down £0.262m allowance for pending commercial claims from Term Maintenance contractor £0.030m feasibility study for A1000 £0.500m additional top-up to fund Capital Betterment lump sum £0.122m for Street Scene agency covers. Covid-19: £0.100m Additional staff needed to manage back log of HMO enforcements (visits restricted due to Covid) £0.022m BOOST Employment and Skills £0.150m Loss of commercial waste income £0.190m additional spend for vehicle cleansing £0.163m Regeneration of Town Centre Covid related spend
Assurance	(0.873)	Elections reserve draw down of £0.744m to fund 2022 Local election, offset by top-up of £0.178m to elections reserve to fund future local elections. Drawdowns for Members IT £0.107m, CAFT reserve £0.050m. Food Safety regulatory costs £0.212m. Offset by Top-ups to the Mayoral support reserve for the Mayoral car of £0.015m and to the Internal Audit reserve of £0.048m
Strategy and Resources	(0.020)	
Public Health	-	
Total	**(9.212)**	

Savings

2.6 The budget for 2022-23 includes planned savings of £7.422m; of which it is currently forecast that £6.959m of these savings will be achieved.

2.7 The gap in savings delivery in Children and Family Services is £0.392m of Placement savings which is critically at risk and dependent upon contributions from Health and Education partners. At this point, the service aims to manage within their budget envelope and these are being actively tracked and reviewed through the year.

2.8 Underachievement in Assurance is due to start-up and training delays for the Community safety team issuing Fixed Penalty notices for fly-tipping. First quarter expected income is £0.037m against a run-rate of £0.108m. This is mitigated by delayed recruitment against the re-organised Community Safety team, as well as the carry-forward of unutilised Prevent grant, to fund relative expenditure.

Table 4 Savings Delivery 2022/23

Service Area	Savings target 2022-23	Forecast savings achievable at Month 4	(Gap)/Over to plan	Service area gap
	£m	£m	£m	
Adults & Safeguarding	(1.430)	(1.430)	-	0.00%
Children and Family Services	(1.483)	(1.091)	(0.392)	26.43%
Customer and Place	(2.793)	(2.793)	-	0.00%
Assurance	(0.431)	(0.360)	(0.071)	16.47%
Strategy and Resources	(1.285)	(1.285)	-	0.00%
Public Health	-	-	-	0.00%
Total	**(7.422)**	**(6.959)**	**(0.463)**	
Percentages	**100.00%**	**93.76%**	**6.24%**	

Risks and opportunities

2.9 In preparing the report for month 4, a number of overall (corporate) and service-specific risks have been identified. These are set out below.

- Adults and Health
  - Current forecasts reflect a level of increase in annual activity and unit cost which exceeds estimates used for setting this year's budget. When reviewing activity at P4 an average increase of 5% is presenting above FY 2021-22 total activity levels.
  - Current estimates also include a level of upward churn for this financial year which will be reviewed during monitoring periods. The national context reports that the impact of COVID on NHS treatment waiting times is resulting in residents becoming more unwell and social care needs becoming more complex. The total number of patients waiting over 18 weeks for treatment now exceeds 2 million, while the number of patients waiting over one year for treatment stands at almost 300,000. It is highly likely that Barnet will feel some of this demand and that the current upward churn estimate will be exceeded. The number of residents requiring care and support upon discharge from hospital has been very high in Quarter 1. Work is ongoing to analyse this and should be available for P5 reporting.
  - P4 estimates include an assumption on care provider rate inflationary uplifts which reflect the ‘budgeted’ offer to providers in Barnet and across NCL. Current cost of living pressures, including utility volatility, put pressure on providers to maintain uplifts on offer – this is under constant review.
  - There is currently a significant risk around the level of income that has been forecast for funding from the CCG for care and support for the first 4 weeks after discharge c.£1.9m. This is being worked through with partners across NCL.
  - There is also likely to be a pressure due to bed voids at YCB homes due to works required across the two care homes, c.£1.0-£1.4m.
  - Market cost complexities in the leisure industry are being monitored together with the likely upward financial impact.

- Children's and Family Services
  - An assumption of an additional £1.57m income from third parties such as the CCG is included in the forecast for placements. This is dependent on review of placement needs for complex cases.
  - A further £2.743m of anticipated placement costs is under review and not reflected in the forecast at M4. For a number of children in Placements, this is not their final placement, and the service aims to move them on to a permanent care arrangement with either family or in house carers as part of improving outcomes. This may have the additionality of reduced costs.
- Customer and Place
  - Street Lighting budget could have a significant pressure from the above inflation increase in energy prices circa £0.500m, if this is not able to be met from the contingency budget set aside for non-pay inflation.
  - Fuel prices are on the rise current estimate is £0.350m full year impact if Quarter 1 prices are experienced for the remainder of the year, on average, although pricing has reduced in the last month.
  - Parking income forecasts are based on the current situation and are incredibly difficult to predict due to changing patterns of behaviour. August and September activity will be critical around firming up risks and opportunities.
  - The Estates service regularly reviews outstanding commercial debt. This could lead to subsequent write-offs of income related to prior years. An extensive review of all debt at financial year-end 2021/22, resulted in a £0.392m increase in the bad debt provision, which should mitigate the risk of further write-offs.
  - The macro-economic environment is to remain challenging for businesses and personal households. Increases in energy and utilities costs, may cause pressures across the council's commercial estate. There is also the risk that Temporary Accommodation (TA) demand may rise, if more households are evicted, due to inability to pay rents and mortgages. The Brent Cross West scheme may also be impacted by rising costs of raw materials and the availability of skilled labour
  - Across London, market forces are applying upwards pressure to the costs of TA, making it more difficult for the council to secure affordable, good quality housing. Interest rates are also rising, increasing the cost of borrowing. These increases in capital funding, may cause delays to the Open Door Homes (ODH) acquisitions capital scheme. This may further decrease the availability of affordable homes to meet the council's housing need, as well as increasing the spend on TA.
- Assurance
  - Fixed Penalty Notice income target may not be fully achievable this year, due to start up and training delays. It is expected that this potential pressure will not be ongoing in future years.
- Strategy & Resources
  - Capital financing costs could be higher than expected due to the economic climate and interest rates rising if the council needs to take out further borrowing that it is not planning on in 2022-23.
  - Stability of business rate income and knock-on effect to the General Fund if collection does not remain at current levels after all reliefs are removed from the system.
  - In addition, rising inflation could cause a risk on contractual obligations.
  - Recent discussions with trade unions indicate higher than anticipated demands for pay inflation increases which will cause additional pressure on staffing budgets.

- 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.
  - Further to inflation, the costs for energy the council is bearing have increased by as much as 68% compared to M4 2021-22; fuel costs have increased by as much as 41% compared to M4 2021-22; supply chain scarcity of skilled labour and key construction materials has been placing upwards pressure, above CPI, on construction contracts across all physical asset classes; the current employer offer in Outer London, represents an average increase to pay of 5-6% on the budgeted payroll – if it is accepted; key activity driven budgets in Adults, Children's and TA are facing provider sufficiency issues in sourcing quality, appropriate placements with prices rising due to a lack of competitive tension between providers.
- Public Health
  - The recently announced NHS Pay Award and upcoming LA Pay Award announcements have been budgeted at 2% so there will be an increased pressure on PH Grant for internal staff pay award as well as all the contracts with NHS and other providers where staff have NHS Terms and Conditions. It is estimated that impact could be c.£1.0m. Additional funding from central government to subsidise for this pressure has not been announced as yet.

Budget Changes

2.10 At Month 4 no budget changes took place.

Covid-related expenditure

2.11 £6.757m covid funding was carried forward into 2022-23. The forecast expenditure against this funding is detailed by service area in table 5 overleaf. Future reporting on covid spending will include indications of actual amounts spent.

Table 5: Summary of Covid-19 related funds and associated forecast expenditure at month 4

Service Areas C19 expenditure at Month 4	£m	Commentary
Adults and Health	3.651	CEV VCS support £0.966m (VCS infrastructure, Voicability / Age uk, VCS strategic lead and engagement officer) Prevention Strategy £1.000m (Prevention and Wellbeing Team over 2 years) Continued resourcing support to pandemic £1.000m (all staffing resource currently in post) Practical Support for Self-Isolation - £0.473m (Hub & Housing support) Omicron Support - £0.211 (already passed through to the care market)
Children's Family Services	2.094	Young people supported on pathway to employment £1.000m; Mental Health support teams £0.780m; Transitional safeguarding £0.226m; Welfare rights officers £0.088m
Customer and Place	0.625	Refuse agency costs required for additional vehicle cleaning £0.190m; Loss of commercial waste income £0.150m Town Centre £0.163m; Additional staff needed to manage back log of HMO enforcements (visits restricted due to Covid) £0.100m; BOOST – post-Covid-19 Business start-up programme £0.023m
Assurance	0.000	
Resources	0.306	Strategy and Comms asylum seekers in hotels £0.306m
Public Health	0.752	£0.300m Barnet Community Fund; £0.452m covid vaccine champions
C19 costs as at Month 4	**7.427**	
Funding Summary	**£m**	
funds brought forward from last year	6.757	Comprising funding provided by government in 2019/20 and 2020/21 and 2021/22.
additional drawdown on non-ringfenced general reserves	0.670	additional requirement over and above funding c/f
Known funding at Month 4	**7.427**	

2.12 £4.08m of Covid expenditure was allocated in the Corporate plan. The balance of £3.345m which was not allocated in the Barnet plan is under review.

Service Areas C19 at Month 4	Included in Barnet Plan	Not Included in Barnet Plan	Total
spending	£m	£m	£m
Adults and Health	1.966	1.685	3.651
Children's Family Services	2.094	0.000	2.094
Customer and Place	0.022	0.603	0.625
Resources	-	0.306	0.306
Public Health	-	0.752	0.752
C19 costs as at Month 4	**4.082**	**3.345**	**7.427**

Non-Pay Inflation

2.13 Services were requested to submit non-pay inflation bids. The total bids requested are broken down in the table below by directorate. Total bids were £7.801m; there is £7.443m held in contingency specifically for non-pay inflation. The business planning report at this Committee requests approval for a further £0.358m allocation from contingency to be vired to service budgets, reflecting the pressures faced by the current levels of inflation (10.1% for CPI at the time of monitoring for Month 4). The contingency budget has sufficient availability to support this approval.

Service	Total Requested £m
Adults & Health	3.051
Assurance	0.288
Customer & Place	2.238
Children & Family Services	2.223
Strategy & Resources	-
Total	**7.801**
Funding Available (in contingency)	7.443
Balance for approval	**0.358**

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 H&G and P&R committees in February 2022.

3.2 The service-related elements of the HRA are projected to be £0.069m favourable to budget. This will be offset by a decrease of £0.0.69m in RCCO (Revenue contribution to Capital Outlay). The £0.069m favourable variance is comprised of:

- £0.120m favourable - Overachievement on commercial rent income assumes similar number of units to be rented out this year as in the previous year. The numbers of units are higher than budgeted.
- £0.115m favourable – Savings on interest costs on HRA debts. This is due to early borrowing that happened last financial year, taking advantage of the lower interest rates which were available at the time.
- £0.096m favourable - Overachievement on interest income earned on HRA cash balances. This is due to higher average interest rates expected this financial year.
- £0.140m favourable - Overachievement on commission (income) on water rates from Affinity.
- £0.400m adverse - Overspend due to an increase in Gas & Electricity costs on HRA Estates and Sheltered Housing blocks. The higher costs will not be passed onto tenants as an increase in rent or service charge. This is because sheltered blocks are on affordable rent, and the increase in service charges was agreed at 4.1%. Yet, the projected increase in gas & electricity is c.50%.

3.3 There are on-going risks associated with the 30-year HRA business plan. Officers at The Barnet Group and the council are currently reviewing how the below may impact the business plan:

- HRA Recharges – A review of the bases and application of recharging the Barnet Group for support services.
- Interest rate on borrowing increasing by c.4.25%. This may impact the financial affordability of capital programmes. The council's treasury department are considering options for borrowing.
- Rent-setting for council dwellings and temporary accommodation is historically set at CPI+1% (10.1%+1% as of August 2022) and communicated to tenants in February of each year
- The council is currently reviewing Central Government guidance and support, and the potential financial impact.
- Utilities costs – absorbing a significant increase in utilities, so these are not passed on to tenants. The increase was expected at 54% but may rise to 207% (or £0.450m) in this financial year. This is being investigated further.

Table 6: HRA forecast at month 4

HRA - Revenue	21-22 Outturn	2022-23 Budget	Month 4 Forecast Outturn after reserves	Month 4 Variance After reserves	In-Month change
	£m	£m	£m	£m	£'000
Dwelling Rent	(50,397)	(52,333)	(52,333)	0	0
Non-Dwelling Rent	(1,273)	(1,242)	(1,362)	(120)	0
Service & Other Charges	(6,842)	(6,851)	(6,992)	(141)	0
Other Income	447	0	0	0	0
Housing Management	19,014	19,451	19,451	0	0
Other Costs	1,735	1,806	2,206	400	0
Internal recharges	2,839	2,868	2,868	0	0
Repairs & Maintenance - Mgt Fee	8,584	10,464	10,464	0	0
Repairs & Maintenance - Non-Core	975	0	0	0	0
Provision for Bad Debt	589	1,261	1,261	0	0
Regeneration	168	684	687	3	0
Debt Management Expenses	10,103	10,578	10,463	(115)	(115)
Interest on Balances	(116)	(9)	(105)	(96)	(96)
HRA Controllable (Surplus)/Deficit	**(14,174)**	**(13,323)**	**(13,392)**	**(69)**	**(212)**
Depreciation	12,222	12,683	12,683	0	0
RCCO	1,932	536	605	69	212
HRA Capital Charges	**14,154**	**13,219**	**13,288**	**69**	**212**
HRA (Surplus)/Deficit	**(0.020)**	**(0.104)**	**(0.104)**	**(0)**	**(0)**

3.4 The projected HRA reserve is £4.124m.

Table 7: HRA reserves at month 4

	B/Fwd	Revenue Movement	Depreciation & RCCO	Forecast Funding for Capex CFR	C/Fwd
	£'000	£'000	£'000	£'000	£'000
HRA Reserve	(4,020)	(13,180)	13,076		(4,124)
Major Repairs Reserve	(2,000)		(13,076)	13,077	(2,000)
HRA Reserves	**(6,020)**	**(13,180)**	**0**	**13,077**	**(6,124)**

Dedicated Schools Grant (DSG)

3.5 At Month 4, the DSG is forecast to have a surplus £1.82m across the four block activities. This is indicated in table 8 overleaf.

3.6 The total allocation for Barnet DSG is £396m with £248m going via the LA. There was additional supplementary funding of £8.7m for the schools' block and £2m for the high needs block to help with the additional pressures on schools and the 1.25% national insurance increase from April 2022.

3.7 This supplementary grant has helped to balance the High Needs block for 2022/23 whilst still being able to award a 2.5% rate increase in top ups and also increase the number of top-ups commissioned.

3.8 The current reserve for DSG has a brought forward balance of £4.87m. The schools' forum has agreed to used £1m of this reserve to fund the Hong Kong & Afghanistan Refugees joining our schools in Barnet as well as £0.400m to support our maintained nurseries.

3.9 There is an additional risk of £1m that may be necessary to fund 2021/22 missed growth payments.

Table 8 DSG Forecast at month 4

	Budget £m	Month 4 Forecast outturn after reserves £m	Month 4 variance after reserves £m	*Month 3 variance* *£m*	*In-Month change* *£m*
Expenditure					
Schools:					
- Individual Schools Budget	151,595	151,234	(361)	*0*	*(361)*
- ESG retained funding	700	700	0	*0*	*0*
- Growth Fund	2,745	1,285	(1,460)	*(1,530)*	*70*
- Central schools expenditure	2,266	2,266	0	*0*	*0*
Sub-total	**157,306**	**155,485**	(1,821)	***(1,530)***	*(291)*
Early Years Block	28,297	28,297	0	*0*	*0*
High Needs Block	62,353	62,353	0	*0*	*0*
Sub-total	**90,649**	**90,649**	**0**	***0***	***0***
Total	**247,955**	**246,134**	**(1,821)**	***(1,530)***	*(291)*
Income					
DSG Income	(247,955)	(247,955)	0	*0*	*0*
Total	**(247,955)**	**(247,955)**	0	***0***	*0*
Net DSG 21/22	**0**	**(1,821)**	**(1,821)**	***(1,530)***	***(291)***

3.10 The DSG reserve brought forward into 2022-23 was £4.870m. The forecast underspend in-year of £1.821m, alongside the approved use of reserves of £1.400m, reflects a forecast carried forward balance for 2023-24 and future years of £5.291m.

Table 8a DSG Reserves Forecast at month 4

DSG reserves	**B/Fwd**	**Use of Reserve**	**Top Up Reserve**	**C/Fwd**
	£m	**£m**	**£m**	**£m**
DSG Reserve	(4.870)	1.400	(1,821)	(5.291)
DSG Reserves	**(4.870)**	**1.400**	**(1.821)**	**(5.291)**

Public Health Grant

3.11 The ringfenced public health (PH) grant of £18.318m is forecast to out-turn to budget at M4. Commitments of up to £1.000m have been identified to be utilised from the PH grant reserve during the financial year subject to the PH Grant continuing to forecast to out-turn to budget. The pressures facing the General Fund regarding pay and non-pay inflation are also faced by the Public Health Grant. As a ringfenced fund, the grant is expected to absorb these pressures across the year.

Table 9 Public Health Grant forecast

Public Health Grant	**2022/23 Budget**	**2022/23 Outturn**	**Variance**
	£m	**£m**	**£m**
Public Health services (PH grant funded)	18.318	18.318	0
Public Health Services	**18.318**	**18.318**	**0**

3.12 The Public Health Grant Reserve carried forward from 2021-22 was reported at £1.828m. The estimated carry forward at 2022-23 outturn is £0.828m.

Table 10 Public Health Grant Reserve forecast

Reserves use	brought forward	Use of Reserve	Estimated carry forward
	£m	£m	£m
Public Health reserve	1.828	(1.000)	0.828

Special Parking Account

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 11 below illustrates the month 4 forecast outturn position for the SPA and the appropriation to the general fund. It is currently forecasting an outturn of net receipts of £13.437m.

Table 11 SPA Forecast

SPA Accounts	2022-23 Budget	2022-23 Outturn
	£m	£m
Income	**Budgeted SPA Account**	**M4**
Penalty Charge Notices	(12.977)	(12,851)
Residents Permits	(3.232)	(3,186)
Pay & Display	(3.725)	(3,485)
CCTV Bus lanes	(1.110)	(1,097)
Total Income	**(21.044)**	**(20,619)**
Operating Expenditure (running costs)	**7.178**	**7,182**
Net Operating Surplus	(13.866)	**(13,437)**
Appropriation to General Fund	**(13.866)**	**(13,437)**

4 Capital Programme

4.1 The capital forecast outturn at month 4 for 2022-23 is £377.938m, of which £263.202m relates to the General Fund programme and £114.736m relates to the HRA capital programme.

Table 12 Current Financial Year Forecast Capital Outturn at Month 4

Service Area	2022-23 Budget	2022-23 Forecast	Variance from Approved Budget	Expenditure to date
	£m	£m	£m	£m
Adults and Health	18.732	9.537	(9.195)	0.580
Children's Family Services	26.923	16.627	(10.295)	3.392
Assurance	2.163	2.163	0.000	0.000
Customer and Place	192.079	151.570	(40.510)	32.300
Brent Cross	73.423	83.305	9.882	20.284
Resources	0.000	0.000	0.000	0.000
General Fund Programme Total	**313.320**	**263.202**	**(50.118)**	**56.556**
HRA	124.563	114.736	(9.827)	26.426
Grand Total	**437.883**	**377.938**	**(59.945)**	**82.982**

4.2 **Adults and Safeguarding –** The Adults and Safeguarding Capital budget for 2022-23, reports an underspend of £9.195m at month 4.

- This is principally relating to **West Hendon Playing Field Sports Hub and Copthall Playing Fields and Mill Hill Open Space** where budget re-profiling will be requested at £6.830m and £1.500m, respectively.
- Capital budgets for Adults Social care are currently forecast as on-budget at month 4.

4.3 **Children's and Family Service** – The Children's and Family Service Capital budget for 2022-23, reports an underspend of £10.295m due to budget reprofiling relating to a number of projects including: education projects of £8.026m, social care projects of £0.639m, secure accommodation of £0.731m and libraries of £0.900m.

4.4 **Customer and Place** – The capital programme is underspending by £40.510m in 2022-23. The reasons are outlined below:

- Housing (General Fund):
  - Housing Acquisitions Open Door – forecasted programme delays due to the cost of borrowing increasing and requiring a review of the cashflow model. The Barnet Group are working through alternative arrangements to fund the programme.
  - A £1.950m deletion related to the Next Steps Accommodation Programme grant for rough sleepers' accommodation. The budget was increased to reflect this grant, with the expectation that this would be passed through via the council. This has subsequently been received directly by Open Door Homes (ODH).
  - Further re-profiling of the small sites Housing GF programme into next year, offset by £4.931m expenditure for Sage Upper and Lower Fosters site, re-profiled into 2022-23.

- Empty Properties – Deletion of £0.960m. It has been agreed to reduce the budget reflecting actual requirements, leaving sufficient budget to enable the enforcement of Compulsory Purchase Orders and annual expenditure.
- Modular homes – Deletion of £0.240m. The total budget for this programme is no longer required and has been replaced by the Small Sites capital programme.

- Growth and Regeneration:
  - Development Portfolio - £2.093m reprofiled to future years due to programme delays. This will be kept under constant review in the coming months.
  - Hendon Hub - £3.090m reprofiled to future years due to delays in site acquisitions offset by project expenditure which has been accelerated into 2022/23. The property purchases have been delayed ensuring there is cash flow to fund project costs which have been expedited.
  - Saracens Loan - £0.920m forecast addition – budget amendment to bring in line with the agreed loan agreement. This addition forms part of the Business Planning paper recommendations at this Committee.

- Re (Highways): Colindale Highways and Transport - Consultants are due to be appointed and they will be bringing forward a costed programme supported from the existing budget allocation.

- Street Scene: Vehicles - reporting £2.2m underspend due to delay, as the manufactures are unable to provide delivery timeline. This is to be reprofiled to future years.

- Parking & Infrastructure: LED Lighting – is reporting a £0.310m underspend and this budget will be reprofiled into 2023/24. This Programme is currently substantially completed with 50% of assets converted to LED, the remaining assets are to be completed.

- Highways Non-TFL: NRP Phases One and Two – While no reprofiling has been identified so far, the budget for these two programmes will be consolidated into the NRP Phase 2 programme. This will facilitate a consolidated financial management approach, providing greater cost control and earlier warning signals versus a fragmented budget across multiple programmes.

- Highways TFL: The programme is currently forecast to budget.

- Re (Environment): Colindale Parks, Open Spaces and Sports – The majority of construction costs for the project will be incurred from 2022-23 onwards. As a result, £1.296m will slip into the next financial year, leaving £500k available for in-year costs. Work on Colindale Park has been completed, with any outstanding work being due on Rushgrove Park.

4.5 **Brent Cross** – The Brent Cross capital programme is currently projecting accelerated expenditure of £9.882m at M4 for 2022-23. The overall programme is forecast to budget.

- **BXC – Funding for land acquisitions** – The forecast at month 4 for 2022-23 identifies a need for accelerating expenditure of £3.730m. The overall financial position is currently forecast on budget for the remaining two financial years.
- **BXT Land Acquisitions** – The forecast at month 4 for 2022-23 identifies re-profiling of the budget of £2.199m into 2023-24. The re-profiling into 2023-24 is in line with the material CPO2 Residential Acquisitions. Currently three residential buybacks are forecast to complete in the forthcoming months. All expenditure is fully recoverable from BXT in line with the Project Agreement and CPO Indemnity Agreement and is forecasted overall on budget for the remaining scheme. The next Property Cost Estimate will be updated in September.
- **Brent Cross West** - The forecast at month 4 for 2022-23 identifies accelerating expenditure of £11.676m. The budget is required to be re-profiled to reflect the current delivery programme, specifically the construction of the station which is forecast to complete by December this year.
    - The overall programme is forecast to budget although acknowledging potential pressures due to material cost inflation and supply chain issues due to Covid and the current economic climate, in addition to cost associated with cancelled railway possessions leading to prolongation on the construction programme. Availability and cost of materials continues to be an issue even at this late stage.
- **Critical Infrastructure** - The forecast at month 4 for 2022-23 identifies a re-profiling of the budget of £3.324m into 2023-24. The overall programme is currently forecast on budget.

4.6 **Assurance –** The capital programme for 2022-23 is on budget.

<u>HRA Capital Investment</u>

4.7 The HRA Capital programme budget reflects the most recently approved HRA Business Plan in March 2022.

4.8 At month 4, the HRA capital programme is forecasting a £9.827m underspend. This relates to a £9.827m net re-profiling into future years. This will be reflected in the next update to the HRA Business Plan, which will be presented to the Housing & Growth Committee as well as the Policy and Resources Committee in due course.

4.9 HRA capital programmes are mainly in three areas: Investment in current stock (capital repairs or capital enhancements of existing properties); Development of new properties (new builds); and market acquisition of properties:

- Stock investment Programmes - Capital programme budgets are to be re-aligned to reflect the HRA Business Plan. This will result in budget re-profiling of £5.175m in the current year.
- Development Programmes –
  - £4.344m on New-build 250. The programme has been re-profiled because submission for planning permission on two development schemes was delayed. As such, planning permission for these two schemes will not take place until later this year.
  - £0.855m delays on Cheshir House Extra Care. Original delays in getting vacant possession of the site have resulted in on-going programme delays into next year.
  - £0.410m on GLA development programmes, re-profiled due to two schemes yet to be tendered.
  - £1.649m re-profiled expenditure from future years into 2022-23 on Stag House, this is due to the contractor submitting a loss & expense claim for planning delays of over 6 months.
- Acquisitions Programmes - Capital programme budgets are to be re-profiled into 2022/23 (£8.461m). This is mainly due to a lack of suitable properties being available on the market at the right price to represent value-for-money.

Funding of the Capital Investment Programme

4.10 The composition of capital funding in the current year is detailed in table 12 overleaf. 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 12 Funding of the Capital Programme

Service Area	Grants/Other Contributions	S106	Capital Receipts	Revenue/ MRA	CIL	Borrowing (Mayor's Energy Efficiency Fund)	Borrowing	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Adults and Health	3.912	0.810	0.139	0.000	3.323	0.000	1.353	9.537
Children's Family Services	14.842	0.000	0.039	0.000	0.193	0.000	1.554	16.627
Assurance	0.000	0.000	0.000	0.000	2.163	0.000	0.000	2.163
Customer and Place	32.649	5.421	6.240	0.746	19.963	1.700	84.850	151.570
Brent Cross	75.708	0.000	0.900	0.000	0.000	0.000	6.697	83.305
Resources	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General Fund Programme	**127.112**	**6.231**	**7.317**	**0.746**	**25.642**	**1.700**	**94.454**	**263.202**
HRA	24.355	1.267	4.754	22.733	0.000	0.000	61.627	114.736
Total Capital Programme	**151.467**	**7.498**	**12.071**	**23.479**	**25.642**	**1.700**	**156.081**	**377.938**

4.11 Table 13 below shows the five-year forecast for the overall capital programme. The council is anticipating expenditure of almost £580m across its General Fund Programme, with the majority of this across Brent Cross and Customer and Place – circa £496m. The HRA is forecasting capital expenditure of circa £320m across the same programme. The funding make-up for the five-year programme is broadly similar to the 2022/23 make-up, outlined in Table 12 above. As such, around 40% is grant funded, with a further 40% anticipated to be made of borrowing. The additional borrowing requirement forms part of the council's budget setting process and is captured in the Medium Term Financial Strategy (MTFS) that is due to be presented to this Committee.

Table 13 Five Year Capital Programme Forecast

Service Area	Programme Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	Programme Forecast	Additions/ Deletions
	£m	£m	£m	£m	£m	£m	£m	£m
Adults and Health	39.715	9.537	10.188	11.648	8.130	0.000	39.503	(0.212)
Children's Family Services	40.533	16.627	14.416	6.268	2.185	0.000	39.497	(1.036)
Assurance	2.363	2.163	0.200	0.000	0.000	0.000	2.363	0.000
Customer and Place	378.583	151.570	112.505	67.687	40.340	0.860	372.961	(5.622)
Brent Cross	122.724	83.305	38.746	0.673	0.000	0.000	122.724	0.000
Resources	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General Fund Programme Total	**583.918**	**263.202**	**176.055**	**86.276**	**50.655**	**0.860**	**577.048**	**(6.870)**
HRA	327.010	114.736	94.970	62.070	43.104	5.863	320.742	(6.268)
Grand Total	**910.928**	**377.938**	**271.025**	**148.346**	**93.759**	**6.723**	**897.790**	**(13.138)**

5 Revenues and debt

Collection Fund – Council Tax

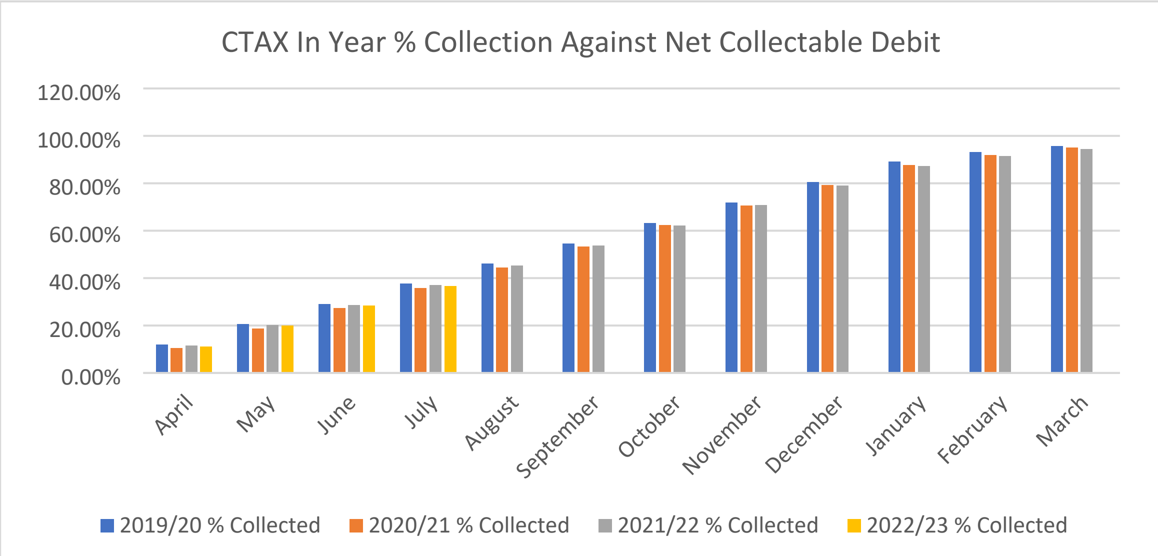
5.1 For the purposes of this report, current year information has been compared against 2019-20, 2020-21 and 2021-22. This is to allow a visible comparison from pre-pandemic through to current period.

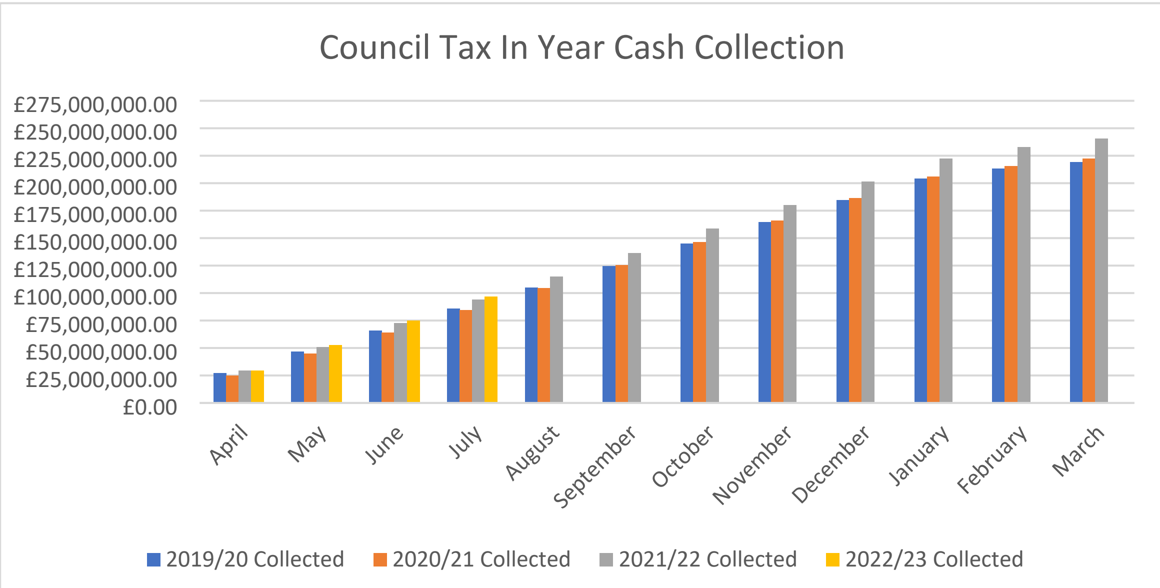
5.2 The collection rate in July 2022 is 36.64%, this is 0.37% lower than July 2021, 0.79% higher than July 2020 and 0.98% lower than June 2019 (pre-pandemic). Benchmarking within London shows this is not unique, and CSG are focusing on older council tax debt as they onboard more staff to support overall across local taxation and benefits.

5.3 In cash terms, current collection levels are £2.936m higher than July 2021, £12.453m higher than 2020 and £11m higher than 2019 (pre - pandemic) – this is due in part to annual increases in both the council tax base and the household charge over two budget cycles.

5.4 There has been an underlying recovery impact from COVID-19 in Council Tax, however the council's tax base has improved through additional completions to Month 4 and there is not expected to be an adverse pressure on the Collection Fund arising from the tax base. Council Tax Support expenditure has increased slightly (£0.003m) from previous months' and are now forecasting to be £0.457m above budget. This can be managed through the Collection Fund Adjustment Account.

5.5 The charts below and overleaf show the comparison of collection rates and cash values since 2019-20 (pre-pandemic).



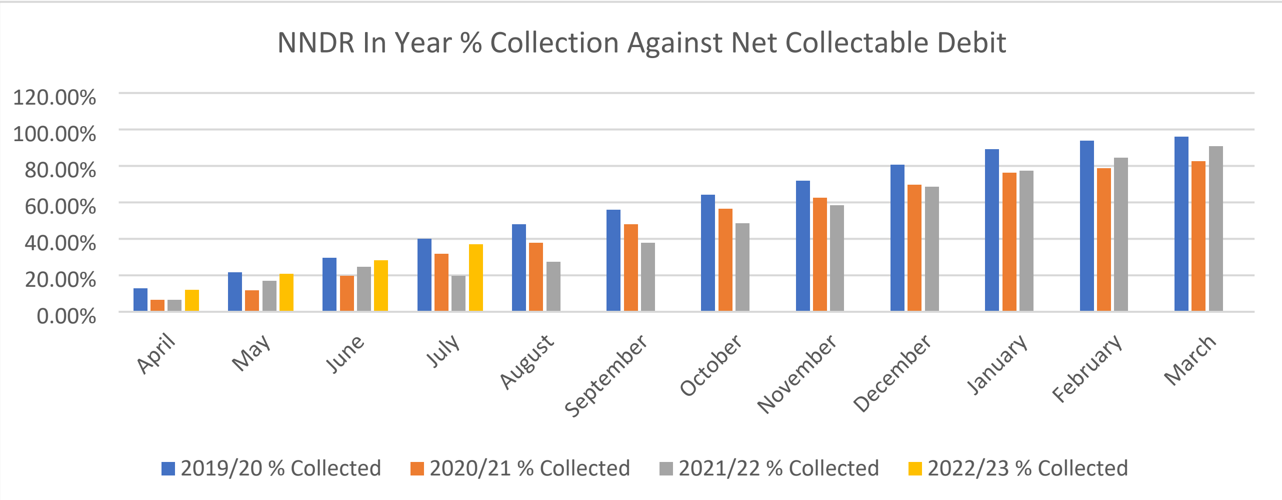


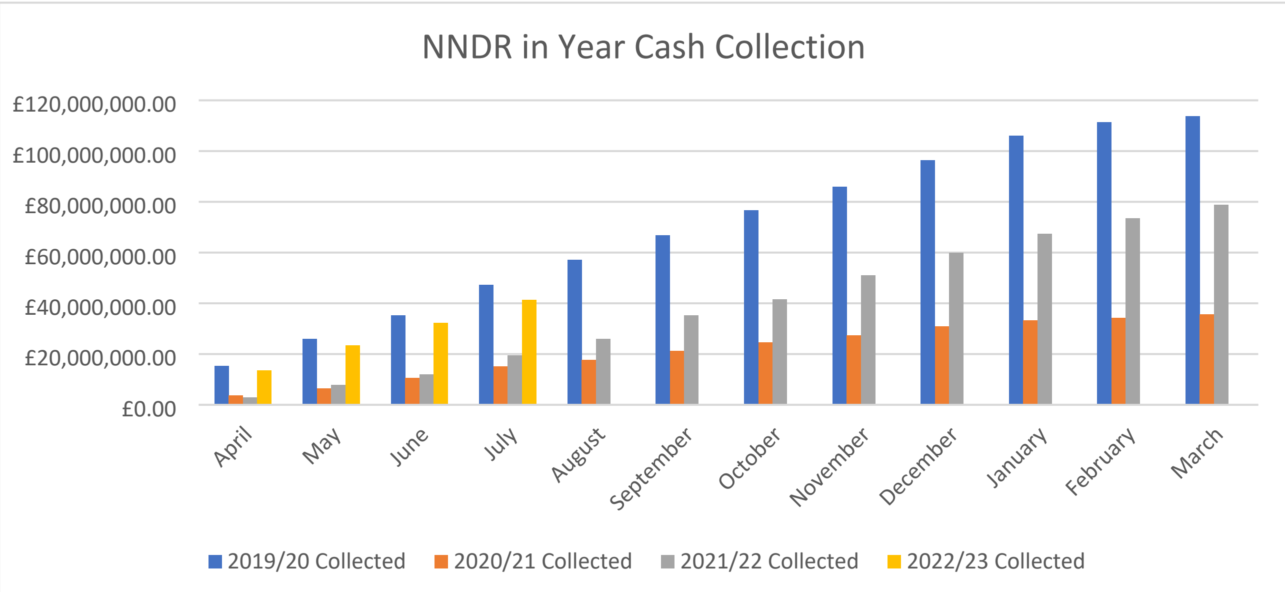
Collection Fund – Business Rates

5.6 The Business Rates collection rate in July 2022 is 36.95%, an increase of 17.39% compared to July 2021 and 5.37% compared to July 2020. Collection is however still 2.97% down on July 2019. Every month since January 2022 has seen the collection rate exceed the prior year's rate.

5.7 In cash terms, the current collection level is £22.062m higher than July 2021 and £26,327m higher than July 2020, however £5.916m down on July 2019. The cash collection is impacted by the Net Collectible debit (NCD) in each year. In July 2022, the NCD is £13.163m higher than July 2021, however £6.491m lower than July 2019 (pre-pandemic). The NCD is impacted by the amount of grant received by the council, for example, expanded retail reliefs.

5.8 The charts below and overleaf show the comparison of collection rates and cash values since 2019/20 (pre-pandemic).





Emergency financial support for residents

5.9 Emergency support is in the form of Discretionary Housing Payments (DHP), Discretionary Council Tax Discounts and Local Welfare Assistance Fund payments.

- DHP has seen a reduction in expenditure of 18.05% against July 2021. The council's DHP funding provided by DWP is £1,445m. The July expenditure extrapolated over the year is 5% above the funding, this will continue to be monitored. It is therefore forecast that the full allocation will be awarded.
- Discretionary Council Tax Discounts (Section 13A payments) have seen a 13.42% decrease against July 2021.
- In April 2022, the council introduced a new Local Welfare Assistance Fund to replace the Crisis Fund. At the end of July 2022, the total awarded value is £0.183m.

Court Costs

5.10 July 2022 court costs awarded are £0.781m. This is 3.9% higher than July 2021 and 1497% higher than July 2020 (no costs), however down 36.4% on July 2019 (pre-pandemic). This is due to timing as final notices were not issued in 2019-20, therefore summonses issued sooner. The budget income target is £1.689m.

5.11 Court costs collected in July 2022 are £0.383m. This is 19.7% higher than July 2021 and 395.4% higher than 2020, however 16.44% lower than 2019. July 2020 was significantly lower as a result of the council's pandemic response, and July 22 is down on July 2019 due to timings of summons being issued, final notices were not issued in 2019.

Housing Benefit Overpayments (HBOP)

5.12 Housing Benefit Overpayment Collection at the end of July 2022 is £0.766m. This is 13.44% lower than July 2021 (£0.885m), however 76% higher than 2020 and 34.81% higher than 2019 (pre-pandemic).

5.13 The budget income target for 2022-23 is £2.712m. Whilst the target is still being worked towards, there are risks at present due to staff leaving, the continued increase in energy prices, and impact of the cost-of-living increases. New staff have now been recruited and are in training, and additional measures are being introduced to HBOP to improve collection, including Telsolutions email and messaging campaigns.

Sundry Debt

5.14 Between June 2022 and July 2022 overall debtors decreased by £3.843m. An analysis of debtors as at the 30 June 2022 is provided overleaf at Table 14. It should be noted that this information is a snapshot as at that date and the overall position varies.

5.15 Overdue debtors (up to 30 days and older) as at 31 July 2022 was £41.679m an increase of £9.240m for the same period in 2021 where the outstanding balance was £32.439m.

Table 14 Aged Debt Analysis as at 30 June 2022

Debtor	Not Overdue	Up to 30 days	30 - 60 days	60 - 90 days	Over 90 days	Total Debt
	£000	£000	£000	£000	£000	£000
Month 4	1,364	5,198	817	2,353	33,311	43,043
Month 3	5,347	825	2,651	23,351	14,712	46,866
Movement	**-3,983**	**4,373**	**-1,834**	**-20,998**	**18,599**	**-3,843**

5.16 Table 15 gives detail of the top ten individual debts by debtor, totalling £26.418m.

Table 15 Top 10 debtors as at 31st July 2022

Debtor	Total Debt	Not Overdue	Up to 30 days	30 - 60 days	60 - 90 days	Over 90 days
	£000	£000	£000	£000	£000	£000
NHS North Central London CCG	22,406	0	2,297	101	1,310	18,698
The Fremantle Trust	1,357	0	0	0	0	1,357
Trowers & Hamlins LLP	155	0	155	0	0	0
Rex Chosen Ministries	150	0	0	0	0	150
Beis Medrash Elyon School	138	0	0	8	0	138
Affinity Water	113	81	4	25	56	0.823
Meadowside Res. Care Home	95	0	0	0	0	95
Private Individual	91	0	5	0	0	86
COMMUNITY FOCUS INCLUSIVE ARTS	89	0	6	0	06	84
NHS Haringey Clinical Commissioning Group	85	0	0	0	0	85
Total	**24,678**	**81**	**2,466**	**126**	**1,312**	**20,693**

5.17 Outside the Top 10 debts, there is a significant class of debt relating to contributions to care in Adult Social Care. At the end of July 2022, the level of overdue debt related to individuals who receive adult social care services was £10.076m. 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 with £11.9m under discussion with senior management. This is reviewed at Adults and Safeguarding Committee with the financial position reporting; the next Committee is scheduled for October 2022.

5.18 NHS NCL total debt has reduced by £1.580m. Invoices up to 30 days and over has reduced by £2.196m and those for 30-60 days has also decreased by £1.209m and decreased in 60-90 days by £15.798m and there is an increase of £15.528m in invoices over 90 days. This is due to ongoing invoice queries which we are working on to resolve. Work continues to ensure prompt payment of invoices raised. The Assistant Director of Finance is to meet with NCL Finance colleagues in September 2022 to discuss improvements to processes on both sides with a view to reducing the debtor days.

5.19 The Fremantle Trust debt is under review with the Executive Directors of Communities, Adults and Health and Strategy & Resources following legal advice.

5.20 The Trowers & Hamlin invoice relates to their client accounts and will be paid. Upon receipt of final approval of the related agreement from both their client and the Council's solicitor, Trowers/DfE will arrange for the payment to be processed.

5.21 The debt on Rex Chosen Ministries has been agreed for write off and will be presented to this Committee for approval.

5.22 Legal documents have been provided enabling the reduction of current and future invoices on Beis Medrash Elyon School reducing the debt on the account. Once these are applied it is not expected to remain an outstanding debt to the council.

5.23 Affinity Water have paid £0.074m with another £0.027m remitted. £0.015m of invoices have been raised on the account.

5.24 The Meadowside Residential Care Home debt is linked with Fremantle.

5.25 The Private Individual is a property service tenant and the invoices outside the Covid-19 (protected) period have been sent to our debt collection agency.

5.26 Community Focus Inclusive Arts invoices are currently under discussion with their CEO and officers from the council.

5.27 NHS Haringey Clinical Commissioning Group invoices are being dealt with as a whole with all the NHS CCG debt. Please refer to paragraph 5.19.

Treasury and Liquidity

5.28 The council agreed a new Treasury Management Strategy Statement (TMSS) on 01 March 2022 and the council as at the time of reporting, remains compliant with the TMSS. The full treasury report can be found at Appendix A.

5.29 The total amount of deposits held as at the end of August 2022 is £179.4m achieving a annual rate of return of 1.63% which is comparable to a benchmark of 1.69%

5.30 The council is also taking advantage of the change in base rate by the Bank of England by changing its investment mix of short-term investments, to benefit from the higher rates.

5.31 The council remains compliant with its authorised limit on borrowing as well as the operational boundary.

5.32 Assessments to forward lock a rate for a further £150m to fund capital programmes between 2022-23 to 2024-25 are underway. A final decision on how best to execute this within the parameters of the TMSS will depend on the overall cost to the council.

5.33 The level of borrowing from the PWLB at Month 4 totalled £577m with a further £63m of borrowing from Lender Option Borrower Option (LOBO) loans. The LOBO loans come under option in 2024 though it is expected that the lenders are unlikely to exercise an option to increase their interest rates in the current climate.

6 Reasons for Recommendation

6.1 This report contains a summary of the council's forecast revenue and capital for the year as at month 4

7 Alternative Options considered but not recommended

7.1 None

8 Post Decision Implementation

8.1 None

9 Implication of Decision

9.1 Corporate Priorities and Performance

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.

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

This report considers the outturn position of the council at the end of the financial year

9.3 Legal and Constitutional References

Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.

Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority's financial position is set out in sub-section 28(4) of the Act.

The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the function of Policy and Resources Committee.

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; ad 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

To be responsible for the oversight 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 (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.

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

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&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 Policy and Resources 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."

9.4 Insight

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

None application to this report

9.6 Risk Management

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

9.7 Equalities and Diversity

Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties, they are not duties to secure a particular outcome. Consideration of these duties should precede the decision. The statutory grounds of the public sector equal duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act:
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share relevant protected characteristic that are connected to that characteristic;
- 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;
- 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 prejudices and promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race

- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

This is set out in the council's Equalities Policy together with our strategic Equalities Objective – as set out in the Corporate Plan – that, citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.

Progress against the performance measures we use is published on our website at: www.barnet.gov.uk/info/200041/equality and diversity/224/equality and diversity

9.8 Corporate Parenting

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

9.9 Consulting and Engagement

None in the context of this report

9.10 Environmental Impact

None in the context of this report

9.11 Background Papers

None