



Community Leadership and Libraries Committee

31st October 2022

Title	Community Leadership and Libraries Forecast Financial Outturn at Month 4 (July 2022)
Report of	Clair Green Executive Director of Assurance and Anisa Darr Executive Director of Strategy & Resources (Section 151 Officer)
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None.
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Summary

This report contains a summary of the Committee's revenue and capital forecast outturn for the financial year 2022/23 as at month 4 (31 July 2022).

Recommendations

That the Committee notes:

1. The current forecast financial outturn for 2022/23.
2. The projected use of reserves.

1. Summary

1.1. This report sets out the forecast outturn position for the 2022/23 financial year as at 31st July 2022 for the services which fall within the Community Leadership and Libraries Committee.

1.2. At month 4:

- The overall forecast overspend is £0.061m
- There are no reserves to be drawn down this financial year.

2. Forecast Position at Month 4

Overview

2.1. As at month 4, the forecast outturn is a £0.061m overspend.

Table 1: Forecast Revenue Outturn at Month 4

Community Leadership Libraries	2022-23 Budget	Month 4 (Forecast outturn before reserves)	Reserves applied	Month 4 Forecast outturn after reserves	Month 4 variance after reserves
	£m	£m	£m	£m	£m
Community Safety	1.732*	1.732	-	1.732	-
Community Safety – Family Services	1.375	1.275	-	1.275	(0.100)
Youth Justice Service	0.489	0.544	-	0.544	0.055
Libraries	3.838	3.944	-	3.944	0.106
Registrars	(0.232)	(0.232)	-	(0.232)	-
Grants	0.029	0.029	-	0.029	-
Total - Community Leadership Libraries	7.231	7.292	0	7.292	0.061

2.2. Table 2 provides a breakdown of the variances as at Month 4 and underlying budget position.

Table 2: Month 4 variance detailed commentary

Service Areas	Month 4 variance after reserves	Commentary
	£m	
Community Safety – Family Services	(0.100)	Underspend forecast of £0.100m at Month 4 is due to additional grant income from MOPAC.
Youth Justice Service	0.055	YJS has a forecasted overspend of £0.055m. <ul style="list-style-type: none"> • Staffing pressure of £0.242m, due to increased agency costs related to sector issues around recruitment of social care staff. This is in line with wider council pressures on procuring staff amidst supply chain scarcity of skilled labour. • Offset by various un-budgeted income and grants (£0.157m) and additional Youth Justice Board income of (£0.030m).
Libraries	0.106	Libraries are experiencing significant increases in cost of utilities also being impacted by the cost-of-living crisis. The cost of energy the council is bearing has increased by up to 155% (Gas) and 59% (Electricity) compared with month 4 2021/22. <ul style="list-style-type: none"> • These are partly being mitigated by not recruiting to existing established posts. • At month 4, there is a £0.106m forecasted overspend in this service.

Service Areas	Month 4 variance after reserves	Commentary
	£m	
Total - Community Leadership Libraries	0.061	

Approved Budget Amendments

2.3. On 19th July 2022, a Business Planning paper presented at Policy and Resources Committee was approved, which recommended the below budget increases to the Community Safety service. They are not yet included at month 4, but will be reflected in future reports to this committee:

2.3.1. £0.300m uplift to the CCTV budget, to support the revenue implications of leasing the BT/Openreach lines which are being installed.

2.3.2. £0.515m has been made available to support Community Hubs and ward walks and will be applied from contingency after November Council.

2.3.2.1. The expenditure budget available has been identified through additional income from fees and charges uplifted from January 2023 and savings to members allowances.

2.3.2.2. Officers are currently costing the expected financial impact in 2022/23, and the required budget will be drawn-on to reflect this priority.

Application of Reserves

2.4 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.

2.5 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.

2.6 This is no anticipated use of, or top-up of earmarked service reserves within this financial year.

Savings

2.7 The committee's budget for 2022/23 includes planned savings of £0.075m. It is currently forecasted that all £0.075m of these savings will be achieved.

Table 4 Savings Delivery 2022/23

Savings Reference	Opportunity By Area	Description of saving	2022/23 Savings	Forecast Achievable	Unachievable	RAG Rating
			£m	£m	£m	
G&CS 22 inc 17	Registrars	Registrars' income increase. 2022/23 will require additional investment in the town hall (carpets, paint etc.) and increased promotion. Current plans aim to achieve increased targets for weddings.	(0.075)	(0.075)	-	GREEN
			(0.075)	(0.075)	-	

2.8 The committee's budget for 2022/23 includes planned savings of £0.075m. It is currently forecasted that all £0.075m of these savings will be achieved.

2.8.1 Actual income received this year was inflated above historic levels for April to July, as the service has been dealing with the Covid-19 backlog.

2.8.2 Income levels have since returned to pre-covid levels.

2.8.3 Increased Fees and Charges from January this year are expected to have a favourable impact on income recovery.

2.8.4 Improvements to facilities at Hendon Town Hall (and marketing) are expected to increase income generation from Marriage services going forward

Risks and opportunities

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

2.10 Risks:

- Changes to legislation in Marriage services. Couples are required to register with their Local Authority, even if they hold private marriage services. Central Government are considering changing legislation to remove this requirement, which would reduce demand for this service.
- Central Government are currently discussing withdrawing or reducing the prevent grant which funds council officers. This would potentially mean additional council budget is required to maintain officer posts.
- Inflationary risks are under constant review and are informing both in-year reporting and future budget projections.
- Other general risks include the cost of energy, impacting fuel costs, and the scarcity of skilled labour and materials placing upward pressure on contracts.

2.11 Opportunities:

- Possible surplus in the CCTV budget. The revenue implications of leasing the BT/Openreach lines being installed, and ongoing maintenance costs which are linked to the profile of capital budgets, may be delayed into future years.
- Potential to overachieve against the Registrar's income targets in Citizenship and Wedding services.

3 Capital Programme

3.1 Community Leadership and Libraries Capital

3.1.1 The capital forecast outturn at month 4 for 2022/23 is £2.274m, with no variance to budget.

Table 7 Current Financial Year Forecast Capital Outturn at Month 4

Community Leadership Libraries	2022-23 Budget	2022-23 Forecast	Variance from Approved Budget
	£m	£m	£m
Libraries Capital Programme	0.111	0.111	0
Enforcement CCTV	2.163	2.163	0
Total - Community Leadership Libraries	2.274	2.274	0

3.1.2 Libraries Capital Programme:

- The libraries capital programme is forecasted to spend to budget this year.

3.1.3 Enforcement CCTV:

- The programme is currently forecasted to budget, although it is possible that project timelines will carry over into 2023/24.
 - The CCTV control room in Colindale will be built this financial year.
 - Fibre Connections for additional sites are currently being agreed, so there is a risk this may be delayed into next financial year.
 - The Purchase and installation of new equipment will begin this year, and project timelines may be re-profiled in coming months.

4 REASONS FOR RECOMMENDATIONS

4.4 This report contains a summary of the forecast revenue and capital outturn for the services within the Community Leadership and Libraries Committee, for the financial year 2022/23, as at month 4 (July 2022).

5 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5.4 None

6 POST DECISION IMPLEMENTATION

6.4 None

7 IMPLICATIONS OF DECISION

7.4 Corporate Priorities and Performance

7.4.1 This supports the council's corporate priorities as expressed through the Barnet Plan for 2020-25 which sets out our vision and strategy for the next five years. This includes the outcomes we want to achieve for the borough, the priorities we will focus limited resources on, and our approach for how we will deliver this.

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

7.5.1 This report considers the forecast position of the services under the remit of the Community Leadership and Libraries Committee at the end of the financial year.

7.6 Legal and Constitutional References

7.6.1 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.

7.6.2 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.

7.6.3 A decision to amend the Financial Regulations in the council's constitution to reflect the responsibility for Theme Committees for the oversight and scrutiny of:

7.6.4 The overall financial performance of the services operating within the remit of the respective Theme Committee.

7.6.5 The council's current Financial Regulations can be found at: <https://barnet.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD349&ID=349&RPID=638294>

7.7 Insight

7.7.1 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.

7.8 Social Value

7.8.1 None applicable to this report.

7.9 Risk Management

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

7.10 Equalities and Diversity

7.10.1 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:

7.10.2 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

7.10.3 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.

7.10.4 Progress against the performance measures we use is published on our website: www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity

7.10.5 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.

7.11 Corporate Parenting

7.11.1 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.

7.12 Consultation and Engagement

7.12.1 None in the context of this report

7.13 Environmental Impact

7.13.1 None in the context of this report

8 BACKGROUND PAPERS

8.1 None