	Policy and Resources Committee **13 December 2022**
Title	**Chief Finance Officer Report** **Forecast Financial Outturn at Month 7 (October 22)**
Report of	Chair of Policy and Resources Committee
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None.
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Summary

This report contains a summary of the Council's revenue and capital forecast outturn for the financial year 2022-23 as at Month 7 (31 October 2022). It also contains information on the level of debt and the top 10 debtors as at 31 October 2022.

Recommendations

That the 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 October 2022.

1.2 At month 7, the forecast financial outturn for the General Fund is:

- Overall, £6.743m overspend, with an adverse £1.115m movement from last P&R reported position.
- An overall forecast position of a net use of reserves of £14.624m.

1.3 The council continues to deal with the cost-of-living challenge with Consumer Price Index (CPI) inflation for October standing at 11.1%. Beneath this headline rate, the council faces above-inflation pressures arising from energy costs as high as 68% and fuel costs as high as 41% in the year to date. Fluctuations and uncertainty continue to have an impact on the overall forecasts.

1.4 High inflation and rising interest rates for households, businesses and the council may impact on the services that the council provides, both universal and targeted. This will be monitored closely, and regular updates will be provided to this Committee.

2 Forecast Position at Month 7

Overview

2.1 As at month 7, the forecast out-turn position for revenue expenditure is a £6.743m overspend against the approved budget set at Council in March 2022. This is after the application of reserves of £14.624m.

Table 1: Forecast Revenue Outturn at Month 7

Service Areas	2022-23 Budget	Month 7 (Forecast outturn before reserves)	Reserves applied	Month 7 Forecast outturn after reserves	Month 7 variance after reserves	Month 4 variance	Change
	£m	£m	£m	£m	£m	£m	£m
Adults and Health	114.404	127.996	(6.967)	121.029	6.625	5.461	1.164
Children's Family Services	77.068	77.747	(0.524)	77.223	0.155	(0.102)	0.257
Customer and Place	53.747	59.019	(3.264)	55.755	2.007	0.278	1.729
Assurance	9.244	10.072	(0.851)	9.222	(0.022)	(0.009)	(0.013)
Strategy & Resources	62.549	61.575	(0.991)	60.584	(1.965)	-	(1.965)
Public Health	18.874	19.713	(0.897)	18.816	(0.057)	-	(0.057)
Transformation	-	0.639	(0.639)	-	-	-	-
Total at Month 7	**336.380**	**357.748**	**(14.624)**	**343.124**	**6.743**	**5.628**	**1.115**

2.2 Table 2, overleaf, provides a breakdown of the movement in variance between month 4 to month 7.

Table 2: Movement in variance month 6 to month 7

Service Areas	Month 7 variance after reserves	Month 4 variance	Change	Commentary
	£m	£m	£m	
Communities, Adults and Health	6.625	5.461	1.164	Month 7 reports a £1m increase in the overspend from the reported position at the previous Committee. This represents a continued increase primarily in community-based packages and nursing home commitments in excess of previous forecasting where insight shows a 5% increase in activity and 8% increase in unit costs (excluding inflation) above that used for budget setting. This includes an increase in enablement provision which provides community support at the lower cost end which should lead to cost avoidance long term. Projections now rebase the estimated increase in activity for demand over this winter. Winter demand is estimated to increase by c.25% from last financial year built on current activity modelling and a 3-year trend review. Month 7 also now includes £1.2m of additional government funding (announced 17/11/22) in relation to the Social Care Discharge fund as a partial offset to the pressures being forecasted.
Children's Family Services	0.155	(0.102)	0.257	Adverse movement driven by cost pressures in sourcing suitable and appropriately safe placements for Children and Young People. There is a pan-London sufficiency issue in children's placement provision placing upward demands on limited places or having to provide additional wrap-around support to children and young people in alternative settings.
Customer and Place	2.007	0.278	1.729	£0.048m small increase in Housing General Fund costs based on TA payments to date, and current demand levels, partly offset by the recovery of £0.07m legal costs. The SPA is forecasting a £1.717m pressure following a full review of the CPZ programme delivery plan and forensic review of parking activity. Further detail can be found in the Special Parking Account narrative later in this report. Commercial waste income will be underachieved by £0.105m due to lower uptake of the service by businesses post pandemic. Refuse Collection is forecast to overspend by £0.322m which includes a provision of £0.165m for HGV retention payment, a market supplement required to maintained skilled HGV drivers by matching wage pressure increases from private sector and £0.157m of additional cost arising from front line services cost from additional unplanned bank holidays as well as agency costs. £0.313m pressure for Highways DLO from lower-than-expected works income. £0.384m one-off financial penalty in the council's favour for street lighting Transport overspend is forecast to be £0.120m 63% of which relates to fuel cost increases with the rest of the overspend related to additional vehicle cleansing part way through the year. (£0.295m) net additional income received for garden waste, (£0.171m) additional rebate received for non-domestic waste levy.
Assurance	(0.022)	(0.009)	(0.013)	Minor net changes to the position last reported to this Committee.
Strategy and Resources	(1.965)	-	(1.965)	£1.965m forecast underspend in corporate levies in relation to North London Waste Authority levy budgets. This is driven by one month's non-payment of levy made as part of windfall arrangements arising from sales of energy and a run rate to Month 7 showing underlying underspends against planned resources.
Public Health	(0.057)	-	(0.057)	A reduction in staffing forecast for General Fund elements within Public Health for SHaW and Insight & Intelligence staff owing to delays in recruiting to vacant posts.
Transformation	-	-	-	
	6.743	**5.628**	**1.115**	

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 Chief Finance Officer (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 reserves. Table 3 below shows the council forecast use of reserves across revenue, capital and the collection fund.

Table 3: Council Reserves Forecast Position at Month 7

Reserve Movements	Balance Brought Forward	Forecast Use	Balance Carried Forward
	£m	£m	£m
Revenue Reserves - non-earmarked	46.635	-	46.635
Revenue Reserves - earmarked (non-Covid-19)	35.820	(9.900)	25.920
Total Revenue Reserves	**82.455**	**(9.900)**	**72.555**
Revenue Grant - unapplied (Covid-19, general fund)	6.757	(4.724)	2.033
Revenue Grant - unapplied (Council Tax / NNDR)	24.019	(16.302)	7.717
Revenue Grant - unapplied (Brent Cross Designated Area s31)	13.449	-	13.449
Grant unapplied Total	**44.225**	**(21.026)**	**23.199**
Total Revenue Reserves & Grant Unapplied	**126.680**	**(30.926)**	**95.754**
Capital Reserves	32.147	(1.052)	31.095
Total All	**158.827**	**(31.978)**	**126.849**

2.6 The council is forecasting use of reserves in 2022-23 of £31.978m, of which £16.302m is in support of the Collection Fund where grant funding from Government has been held in reserves before being applied to any deficit arising from Covid-19 reliefs. Whilst the council anticipated this would be the final year of reliefs arising and the associated reserves movements, additional support for the retail, leisure and hospitality sector in 2023/24 will extend these reserves and adjustments into 2024/25.

2.7 Earmarked revenue reserves are forecast to be used to a value of £9.900m with a further £4.724m of Covid-19 grant allocated for Corporate Plan outcomes, totalling £14.624m in 2022-23 (as shown in Table 1).

2.8 Service-specific use of reserves can be found in Table 4 overleaf.

Table 4: Service-specific Reserves Forecast Position at Month 7

Service Areas	Forecast (drawdown) / top-up to reserves	Commentary
	£m	
Communities, Adults and Health	(6.967)	Drawdowns of £6.967m: £1.993m Earmarked Reserve (Covid support workforce, Prevention Team, Reviewing Officers) £0.100m Transformation reserve drawdown towards staffing commitment. £0.423m Earmarked Reserve drawdown for debt recovery team £2.000m Earmarked Reserve drawdown to support expecting losses from YCB run Care homes (this figure is likely to increase) £0.422m 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 council's leisure contract. £1.200m Hospital discharge income reduction £0.043m Engagement posts
Children's Family Services	(0.524)	Drawdowns of £0.524m: £0.012m for Commissioning £0.251m for Help and Protection (Early Help 0-19) £0.087m for Placements £0.166m for Clinical Services £0.008m for Partnership & Voice of Child
Customer and Place	(3.755)	Drawdowns of £4.635m: £0.491m for sustainability. £0.701m for qualifying Homelessness expenditure. £0.285m for One Public Estate Colindale Placemaker works. £0.284m for the Strategic Contract Review. £0.216m for Fire safety staff upskilling to meet additional legal requirements. £0.151m for the additional housing licencing scheme. £0.163m for Town Centre regeneration £0.022m for BOOST Employment and Skills £0.359m from the earmarked flood grant from Environment Agency £0.262m for pending commercial claims from Term Maintenance contractor £0.030m for the feasibility study for A1000 £0.500m for funding the Capital Betterment lump sum £0.126m for Street Scene annual leave agency cover. £0.150m for the loss of commercial waste income as the service recovers from Covid-19 £0.300m for the community skips service £0.300m for quarterly deep cleansing of residential streets £0.050m for the implementation of invasive weed control £0.244m for enhanced vehicle cleansing costs and loss of income Top-ups of £0.880m: £0.607m to the Brent Cross Retail Park reserve. £0.273m for the creation of a Brent Cross Station Operating Reserve.
Assurance	(0.851)	Drawdowns of £1.113m: £0.744m to fund 2022 Local election £0.107m for Members IT £0.050m for Corporate Anti-Fraud Team £0.212m for Food Safety regulatory costs Top-Ups of £0.262m: £0.015m for the Mayoral car £0.070m for Internal Audit £0.177m to fund future local elections.
Strategy & Resources	(0.991)	Drawdowns of £0.991m £0.235m for community participation £0.306m for Persian Advice Bureau, New Systems Gateway, the Asylum Seeker Support. £0.541m for Resident Support Fund
Public Health	(0.897)	Drawdowns of £0.897m £0.500m for Prevention Fund £0.190m for Insight and Intelligence £0.080m for Cycle training £0.065m for Health Checks £0.062m for Communications
Transformation	(0.639)	Drawdowns of £0.639m £0.639m to support the transformation programme
Total	**(14.624)**	

Savings

2.8 The budget for 2022-23 includes planned savings of £7.954m; of which it is currently forecast that £7.491m of these savings will be achieved.

2.9 The gap in savings delivery in Children and Family Services is related to £0.255m of additional income which is critically at risk and dependent upon contributions from Health and Education partners. A further £0.137m from placement rate negotiations is unachievable due to provider sustainability issues outlined in, for example, Newton Europe reports to the Association of Directors of Children's Services (ADCS) coupled with challenges sector wide in securing suitable, safe placements for children and young people which has led to additional costs in the system placing savings from rate negotiations highly unlikely.

2.10 The underachievement in Assurance relates to the expected increase in income that would arise from issuing Fixed Penalty Notices for fly-tipping (as part of the council's tools for deterring the activity) due to start-up and training delays for the Community safety team. At Month 7, due to the delay in enforcement activity, the expected level of fines are behind what would be expected. This has been mitigated in-year 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 5: Savings Delivery 2022-23

Service Area	Savings target 2022-23	Forecast savings achievable at Month 5	(Gap)/Over to plan	Service area gap
	£m	£m	£m	
Adults & Health	(1.962)	(1.962)	-	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 & Resources	(1.285)	(1.285)	-	0.00%
Public Health	-	-	-	0.00%
Total	**(7.954)**	**(7.491)**	**(0.463)**	
Percentages	**100.00%**	**94.18%**	**5.82%**	

Risks and opportunities

2.11 In preparing the report for month 7, several overall (corporate) and service-specific risks have been identified. These are set out below.

- **Adults and Health**
    - The overspend position presenting in Adults Social Care primarily relates to the upward increase in activity and cost associated with placement accommodation.
    - The Discharges from hospital are on track to exceed 2021/22 levels – for the year to date the council has supported over 160 residents per month to leave hospital with care and support up from 147 per month last year. However, of those returning home via the reablement pathway, only 30% require an ongoing package of care.

- From data used to set this financial year's placements budget the service have seen a 5% increase in activity and an 8% increase in average unit costs (after inflation) signifying an increase in packages becoming more complex in nature.
- Recently, the council has seen average prices for care are increasing at a faster rate than previous years. This may reflect providers factoring in the cost-of-living pressures when agreeing rates for new placements though this assumption will need testing in subsequent reporting periods. Scarcity of placement accommodation, in particular at the acute end of support, is also a driver for increased market rates. The service is working closely with the market to mitigate this impact.
- The service is attempting to mitigate any further rises in costs above current projections by:
    - Reviewing large packages of care that may be eligible for NHS funding
    - Robust negotiation with providers on rates
    - Further expansion of the enablement offer

- **Children's and Family Services**
    - The budgets include income forecasts for tripartite income, funding from health and the Dedicated Schools Grant (DSG). At Month 7, there is a risk that the number of children and young people meeting the criteria for tripartite funding are lower than when setting the budget for 2022-23. This is under monthly review.
- **Customer and Place**
    - Fuel price fluctuations continue to have an impact on the service. Despite additional funding made to cover these increases there is still a risk that the costs might come in even higher.
    - The Estates service regularly reviews outstanding commercial debt monthly. This could lead to subsequent write-offs of income related to prior years. The council holds a prudent level of bad dept provision to mitigate this, however the risk remains that write offs may exceed available provisions.
    - The council is in discussion with Catalyst Housing Association, to settle a dilapidations/ reinstatement liability, when surrendering the lease at Apthorp Care Home.
    - The macro-economic environment is to remain challenging for businesses and personal households. Increases in energy and utilities costs, may cause Temporary Accommodation (TA) demand to 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 and mean savings targets linked to TA cost avoidance are not achieved in full. However, the financial impact is more likely to be felt in future financial years.
- **Corporate**
    - Inflation risks continue to be a council-wide risk, with the latest headline CPI rate standing at 11.1%. Additional impacts arising from energy prices and fuel prices are being closely monitored.
    - In the Chancellor's Autumn Statement, it was confirmed through the Office for Budget Responsibility (OBR) that the UK economy is officially in recession. This may cause upward pressure on service use as residents and businesses require more support.

<u>Budget Changes</u>

2.12 Between M4 and M7 reporting there was a £7.443m budget virement from contingency to various service budgets reflecting approved allocations for non-pay inflationary pressures.

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 Housing & Growth (H&G) and P&R committees in February 2022.

3.2 The service-related elements of the HRA are projected to be £0.147m favourable to budget. This will be offset by a decrease of £0.147m in Revenue contribution to Capital Outlay (RCCO). The £0.147m 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 debt vs the business plan. This is due to early borrowing that happened last financial year, taking advantage of the lower interest rates which were available.
- £0.096m favourable - Overachievement on interest income earned on HRA cash balances. This is due to higher average interest rates expected for short-term investments this financial year.
- £0.141m favourable - Overachievement on commission (income) on water rates from Affinity.
- £0.261m reduction in the required provision for Bad Debts

Offset by:

- £0.557m adverse - Overspend due to an increase in Gas & Electricity costs on HRA Estates and Sheltered Housing blocks. The increase in costs is not being passed to tenants nor leaseholders as increases in rent or service charge. The increase in service charges and rent was capped at 4.1%, however 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.

- Interest rate on borrowing increasing to c.4-5%. This may impact the financial affordability of capital programmes. The council's treasury team are considering options for borrowing in line with need and the Treasury Management Strategy indicators discussed elsewhere in this report.
- Rent-setting for council dwellings and temporary accommodation is historically set at CPI+1% (11.1%+1% as of October 2022) and communicated to tenants in February of each year.
    - The Chancellor announced in the Autumn Statement that social rents were to be capped at 7% following a consultation earlier in the year. The impact on the business plan is being considered and a recommendation will be made to H&G and this Committee in 2023 prior to Budget Council.
- 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%, with an increase of £1.700m factored into the forecast. This is being investigated further, with an impact in future years.

Table 6: HRA forecast at month 7

HRA – Revenue	21-22 Outturn	2022-23 Budget	Month 7 Forecast Outturn after reserves	Month 7 Variance After reserves	In-Month change
	£m	£m	£m	£m	£m
Dwelling Rent	(50.397)	(52.333)	(52.333)	-	-
Non-Dwelling Rent	(1.273)	(1.242)	(1.362)	(0.120)	-
Service & Other Charges	(6.842)	(6.851)	(6.992)	(0.141)	-
Other Income	0.447	-	-	-	-
Housing Management	19.014	19.451	19.451	-	-
Other Costs	1.735	1.806	2.363	0.557	0.157
Internal recharges	2.839	2.868	2.868	-	-
Repairs & Maintenance – Mgmt. Fee	8.584	10.462	10.462	-	-
Repairs & Maintenance - Non-Core	0.975	-	-	-	-
Provision for Bad Debt	0.589	1.261	1.000	(0.261)	(0.261)
Regeneration	0.168	0.684	0.714	0.030	0.004
Debt Management Expenses	10.103	10.578	10.463	(0.115)	-
Interest on Balances	(0.116)	(0.009)	(0.105)	(0.096)	-
HRA Revenue (Surplus)/Deficit	**(14.174)**	**(13.323)**	**(13.470)**	**(0.146)**	**(0.100)**
Depreciation	12.222	12.683	12.683	-	-
RCCO	1.933	0.536	0.683	0.147	0.101
HRA Capital Charges	**14.155**	**13.219**	**13.366**	**0.147**	**0.101**
HRA (Surplus)/Deficit	**(0.020)**	**(0.104)**	**(0.104)**	**0.000**	**0.000**

3.4 The projected HRA reserve is £4.124m.

Table 6a: HRA reserves at month 7

	B/Fwd	Revenue Movement	Depreciation & RCCO	Forecast Funding for Capex CFR	C/Fwd
	£m	£m	£m	£m	£m
HRA Reserve	(4.020)	(13.470)	13.366	-	(4.124)
Major Repairs Reserve	(2.000)	-	(13.366)	13.366	(2.000)
HRA Reserves	**(6.020)**	**(13.470)**	**-**	**13.366**	**(6.124)**

Dedicated Schools Grant (DSG)

3.5 At M7, the DSG is forecast to have a surplus of £1.830m. This is outlined in Table 6.

3.6 The total allocation for Barnet DSG is £399m with £250.643m going via the LA. There was additional supplementary funding of £8.700m for the schools' block and £2.000m for the high needs block to help with the addition pressures on schools and the 1.25% employers national insurance increases from April 2023 (subsequently reversed in November 2023).

3.7 This supplementary grant has helped to balance the high needs block for this financial year whilst still being able to award a 2.5% rate increase for top ups to schools providing support to children with an EHCP in mainstream settings and increase the number of places commissioned in alternative resource provision.

3.8 The current reserve for the DSG has a brought forward balance of £4.870m. The schools' forum has agreed to use up to£1.000m of this reserve to fund the Hong Kong & Afghanistan Refugees joining our schools in Barnet as well as up to £0.400m to support our maintained nurseries.

3.9 High Needs is forecast to underspend by £0.370m due to lower spending on specialist packages at independent schools and a lower number of placements agreed compared to budgeted placements for the independent school sector. This will remain under close review as children in receipt of an Education, Health and Care Plan (EHCP) in the borough have increased by 85.5% since the implementation of the Children and Families Act (2014) and by 35.4% in the period 2019-2022.

Table 7 DSG Forecast @at month 7

	2021/22 Outturn £m	2022/23 Budget £m	Month 7 Forecast outturn after reserves £m	Month 7 variance after reserves £m
Expenditure				
Schools:				
- Individual Schools Budget	150.578	151.595	151.595	-
- ESG retained funding	0.700	0.700	0.700	-
- Growth Fund	-	2.745	1.285	(1.460)
- Central schools' expenditure	2.216	2.266	2.266	-
Sub-total	153.494	157.306	155.846	(1.460)
Early Years Block	28.348	30.720	30.720	-
High Needs Block	56.840	62.618	62.247	(0.370)
Sub-total	85.188	93.337	92.967	(0.370)
Total	**238.682**	**250.643**	**248.812**	**(1.830)**
Income				-
DSG Income	(240.735)	(250.643)	(250.643)	-
Total	**(2.053)**			**(1.830)**
Net DSG 22-23	**150.578**	**151.595**	**151.595**	**(1.830)**

3.10 The DSG reserve brought forward balance into 2022-23 was £4.870m. The forecast at Month 7 is reserves top up of £1.830m less planned use of reserves of £2.400m, of which £1.000m is earmarked for Hong Kong and Afghanistan refugees joining Barnet schools and a further £1.400m for Barnet Hill Academy, subject to discussions.

Table 7a DSG Reserves Forecast at month 7

DSG reserves	B/Fwd	Use of Reserve	C/Fwd
	£m	£m	£m
DSG Reserve	(4.870)	0.570	(4.300)
DSG Reserves	**(4.870)**	**0.570**	**(4.300)**

Public Health Grant

3.11 The ringfenced public health (PH) grant of £18.318m is forecast to budget at M7. Commitments up to £0.897m have been identified to be utilised from the PH grant reserve during the financial year subject to the PH Grant continuing to forecast to spend 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 8 Public Health Grant forecast

Description	Net Budget	Forecast	Variance
	£m	£m	£m
Sexual Health NCL	2.230	2.230	-
Sexual Health GUM	0.700	0.700	-
Substance Misuse Adults	2.349	2.349	-
Substance Misuse YP	0.200	0.200	-
Grant contribution to improving PH outcomes across the council	3.629	3.629	-
PH Directorate staffing	2.220	2.220	-
Healthy Child Programme	4.999	4.999	-
Health Checks	0.200	0.200	-
Sexual Health prevention digital access	0.624	0.624	-
Tobacco Control	0.172	0.172	-
Young People's Health	0.582	0.582	-
Health in All Policies	0.163	0.163	-
Healthcare Public Health	0.250	0.250	-
Total	**18.318**	**18.318**	**-**

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 £0.931m.

Table 8a Public Health Grant Reserve forecast

Reserves use	brought forward	Use of Reserve	Estimated carry forward
	£m	£m	£m
Public Health reserve	1.828	(0.897)	0.931

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 8 overleaf illustrates the month 7 forecast outturn position for the SPA and the appropriation to the general fund. It is currently forecast to be in deficit by £1.717m because of shortfall in projected income.

3.14 The deficit consists of two elements:

3.14.0 A shortfall on business-as-usual activity around penalty charge notices, permits, on and off-street parking. This reflects parking activity returning to c.80%-85% of the activity seen in 2019/20 due to long-term habits around use of vehicles changing because of the Covid-19 pandemic. We believe this is mirrored across neighbouring boroughs and nationally. As a result of the macro-economic environment with CPI at 11.1% and both fuel and electricity costs remaining high, recovery has stalled and further restoration back towards pre-pandemic levels is unlikely during the second half of 2022/23. This represents £0.717m of the overall deficit.

3.14.1 A delay in the delivery of the Controlled Parking Zones (CPZ) programme has arisen due to an extension of some consultations to facilitate greater community engagement. Time was also taken to work with the project delivery partner on development of the contractual, resourcing, and associated matters. This represents £1.000m of the overall deficit.

3.14.2 A recovery plan is in place with a senior officer board to oversee the delivery of the CPZ programme. The plan is expected to return the programme and the SPA to balance in 2023/24 and therefore not negatively impact the Medium-Term Financial Strategy (MTFS). Updates will be provided to the Environment and Climate Change Committee (ECC) with relevant financial updates to this Committee.

Table 9 Special Parking Account Forecast

Special Parking Account	**2022-23 Budget**	**2022-23 Forecast**	
	£m	**£m**	**£m**
Income	**Budgeted SPA**	**M7**	**M7**
		Outturn	**Variance**
Penalty Charge Notices	(12.977)	(11.629)	1.348
Residents Permits	(3.232)	(3.026)	0.206
Pay & Display	(3.725)	(3.556)	0.169
CCTV Bus lanes	(1.110)	(1.085)	0.025
Total Income	**(21.044)**	**(19.295)**	**1.749**
Operating Expenditure (running costs)	**7.707**	**7.675**	**(0.032)**
Net Operating Surplus	**(13.337)**	**(11.620)**	**1.717**
Appropriation to General Fund	**(13.337)**	**(11.620)**	**1.717**

Transformation Programme

3.15 The council has set out an ambitious programme of activity for the next four years and beyond. Much of the work needed to deliver on the vision for the future will be delivered within existing teams and structures. However, at the core of the council's new priorities is a change in the approach to how we engage our communities in Barnet, on tackling climate change, on joining up public services in local areas and how we work with residents who come to us for support. These changes will have implications for all teams across our organisation. Delivery of this fundamental change will require an extensive transformation programme to drive it forward over the next four years.

3.16 At the Policy and Resources Committee meeting on 19 July 2022 an allocation of £3.000m from reserves was approved to fund the transformation programme.

3.17 Current forecast expenditure for this financial year, as at month 7, is broken down in the table below. It is anticipated the full £3.000m will be utilised over the entire transformation programme.

Table 10 Transformation Forecast Position

Transformation Programme	2022-23 Forecast at M7	2022-23 Forecast at M6	In Month Variance
	£m	£m	£m
Staff costs	0.392	0.280	0.112
Consultancy	0.100	0.100	0.000
Governance Workstream	0.047	-	0.047
Transformation Fund	0.100	-	0.100
Total	**0.639**	**0.380**	**0.259**
Funded by reserves	(0.639)	(0.380)	(0.259)
Over/(Underspend)	**-**	**-**	**-**

3.18 Forecasts now include the Governance workstream as well as the Resident Experience workstream. This accounts for £0.159m of the movement in month.

3.19 £0.500m of the total £3m has been allocated as a Transformation fund for services across the council to bid for and this will be spent on projects which help deliver against the council's priorities. It is anticipated that £0.100m of this will be spent this financial year with the remainder spent in 2023-24.

4 Capital Programme

4.1 The capital forecast outturn at month 7 for 2022-23 is £345.538m, of which £236.067m relates to the General Fund programme and £109.469m relates to the HRA capital programme.

Table 11 Current Financial Year Forecast Capital Outturn at Month 7

Service Area	2022-23 Budget	2022-23 Forecast	Variance from Approved Budget	Expenditure to date
	£m	£m	£m	£m
Adults and Health	9.537	7.635	(1.902)	2.038
Children's Family Services	16.627	16.305	(0.322)	7.370
Assurance	2.163	2.163	-	0.099
Customer and Place	166.690	134.214	(32.475)	46.874
Brent Cross	83.305	75.250	(8.055)	19.022
Resources	0.500	0.500	-	-
General Fund Programme Total	**278.822**	**236.067**	**(42.755)**	**75.402**
HRA	114.736	109.469	(5.267)	53.709
Grand Total	**393.558**	**345.537**	**(48.021)**	**129.111**

4.2 **Adults and Health –** The Adults and Safeguarding Capital budget for 2022-23 underspend is now reported at £1.902m at month 7. This primarily relates to delays to works at Copthall Sports Park and Greenspace Development and delays in ongoing digital system development, all of which will be reprofiled into 2023/24.

4.3 **Children's and Family Service** – The Children and Family Services Capital budget for 2022-23, reports an underspend to be re-profiled to future years of £0.322m due to project delays relating to, education projects of £0.534m, social care projects of £0.028m, partly offset by accelerated expenditure of £0.340m on the secure accommodation project.

4.4 **Customer and Place** – The capital programme is underspending by £32.475m in 2022-23.

- Housing General Fund:
  - Forecasted to budget at M7, after budget re-alignment at September P&R Committee.
- Growth and Regeneration – General:
  - Family Friendly Hub fit-out - £0.358m re-profiled into next financial year. A review has taken place and identified that some services will be provided at different locations, which are being identified.
  - Town Centres - £5.720m re-profiled into next financial year due to delays in Finchley Square starting on site and changes in the delivery programme to align with wider development.
  - Development Portfolio - project timelines reviewed, with £1.073m re-profiled into next year due to programme delays.
  - Hendon Hub - £1.407m re-profiling into next year to match project timelines.
  - Public Sector Decarbonisation scheme – £10.000m Re-profiling into next financial year, where expenditure will match grant funding to be received in April 2023.
  - Firestopping works at care homes - £10.000m re-profiling into next financial year due to Winter placement demand, leading to programme delays.

- Re (Highways): Colindale Station works full budget £2.858m re-profiled into 2023-24 in line with revised project delivery timelines.

- Street Scene: Vehicles – This is now expected to be fully spent and to come in on budget at the end of the year of £4m. Delivery delays which indicated a possible £2.2m re-profiling in previous reports have now been resolved.

- Parking & Infrastructure: LED Lighting is now at 80% completion with the remaining asset conversion expected to be completed by the end of the financial year. As a result, the project is now expected to be completed on budget and there no longer a reported underspend projection of £0.301m.

- Highways Non-TFL: The Network Recovery Programme (NRP) Phases One and Two – forecast to accelerate budget of £0.462m from future years into the current year. This is a net effect of a forecast underspend in Highways Transportation & Strategic Community Infrastructure Levy (SCIL) of £0.631m and an overspend of £1.093m on Highway Assets.

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

- Re (Environment): Heybourne Park Improvements – An additional £1.5m worth of CIL funding has been allocated for this project. The expenditure for this project has not yet been profiled, however it is known that no work will take place in 2022-23. As a result, the additional funding has been profiled for 2023-24. All other projects in this area are forecast to come in on budget.

4.5 **Brent Cross** – The Brent Cross capital programme is currently projecting re-profiling expenditure of £8.055m at M7 for 2022-23. This is an increase in terms of re-profiling of £1.094m since M6 due to aligning specific workstreams to the ongoing programme. The overall programme is currently forecast to budget.

- **BXC – Funding for land acquisitions** – The forecast at M7 for 2022-23 identifies a need for accelerating expenditure of £1.075m which is an increase in forecasting of £1.097m in year. £1.052m in year increase on land specific costs relates to the latest property price estimate inclusive of annual government inflation for statutory and homes loss payments as well as bringing forward two Whitefield Estate acquisitions. The remaining £0.045m increase in forecast under Infrastructure 2 works is due to an updated resource utilisation, anticipated highway works and legal and support fees. Overall, the funding for land acquisitions budget for the programme remains on budget.

- **BXT Land Acquisitions** – The forecast at M7 for 2022-23 has increased £0.220m since M6. The variance relates to a revised contingency allowance for commercial acquisitions as well as the in-year impact of property price estimates inclusive of annual government inflation for statutory and homes loss payments. Overall, the BXT land acquisitions budget for the programme remains on budget.

- **Brent Cross West** - The forecast at M7 for 2022-23 identifies re-profiling expenditure of £7.034m. This is an increase of reprofiling of £0.692m since M6.

  - Re-profiling £0.824m under the Station Delivery programme. This is based on the ongoing programme to deliver the Station in 2023.
  - £0.205m accelerating expenditure under the Waste Transfer Station programme. This relates to an alternative proposed layout through to RIBA Stage 3.
  - The remaining £0.073m re-profiling relates to aligning the latest resources utilisation and removal of the legal contingency required within the programme management office workstream.
  - Overall, the BXW budget for the programme remains on budget
  - The Housing & Growth Committee have been kept informed along the BX journey with a detailed financial and service update at the November Committee.

- **Critical Infrastructure** - The forecast at M7 for 2022/23 identifies a re-profiling of the budget of £2.316m into future years, this is an increase of £1.719m since M6.
    - £0.720m re-alignment of decanting and re-location costs of Plots 53 / 54 into 2023-24
    - £1m removal of Transport Mitigation Measures within the programme, these were previously forecast in 2022-23. This will be aligned to cost pressures across the remaining Critical Infrastructure workstreams in future years.
    - Overall, the Critical Infrastructure budget for the programme remains on budget

HRA Capital Investment

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

4.7 HRA capital programmes are mainly on 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.

4.8 At month 7, and after re-alignment at September P&R committee, the HRA capital programme is forecasting a £3.617m re-profiling into future years in the Small Sites HRA Programme.

Funding of the Capital Investment Programme

4.9 The composition of capital funding in the current year is detailed in table 11 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 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	3.533	0.710	0.100	0.000	3.192	0.000	0.100	7.635
Assurance	0.000	0.000	0.000	0.000	2.163	0.000	0.000	2.163
Brent Cross	71.241	0.000	0.000	0.000	0.000	0.000	4.009	75.250
Children's Family Services	13.384	1.164	0.039	0.000	0.193	0.000	1.524	16.305
Customer and Place	33.008	5.783	8.088	0.491	13.251	1.700	71.892	134.214
Resources	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.500
General Fund Programme	**121.166**	**8.158**	**8.227**	**0.491**	**18.799**		**77.525**	**236.067**
HRA	20.642	1.267	2.084	21.946	0.000	0.000	63.529	109.469
Total Capital Programme	**141.809**	**9.425**	**10.311**	**22.438**	**18.799**	**0.000**	**141.054**	**345.537**

4.10 The table below shows the five-year forecast for the overall capital programme.

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	2027/28 Forecast	Programme Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
Adults and Health	39.503	7.635	11.840	11.648	8.380	-	-	39.503
Assurance	2.363	2.163	0.200	-	-	-	-	2.363
Brent Cross	139.340	75.250	39.151	24.939	-	-	-	139.340
Children's Family Services	46.112	16.305	9.179	9.376	5.431	5.821	-	46.112
Customer and Place	388.081	134.214	144.747	68.335	39.925	0.860	-	388.081
Resources	0.500	0.500	-	-	-	-	-	0.500
General Fund Programme Total	**615.900**	**236.067**	**205.117**	**114.298**	**53.736**	**6.681**	**-**	**615.900**
HRA	320.742	109.469	98.587	63.392	43.104	6.190	-	320.742
Grand Total	**936.642**	**345.537**	**303.703**	**177.690**	**96.841**	**12.871**	**-**	**936.642**

5 Revenues and debt

Collection Fund – Council Tax

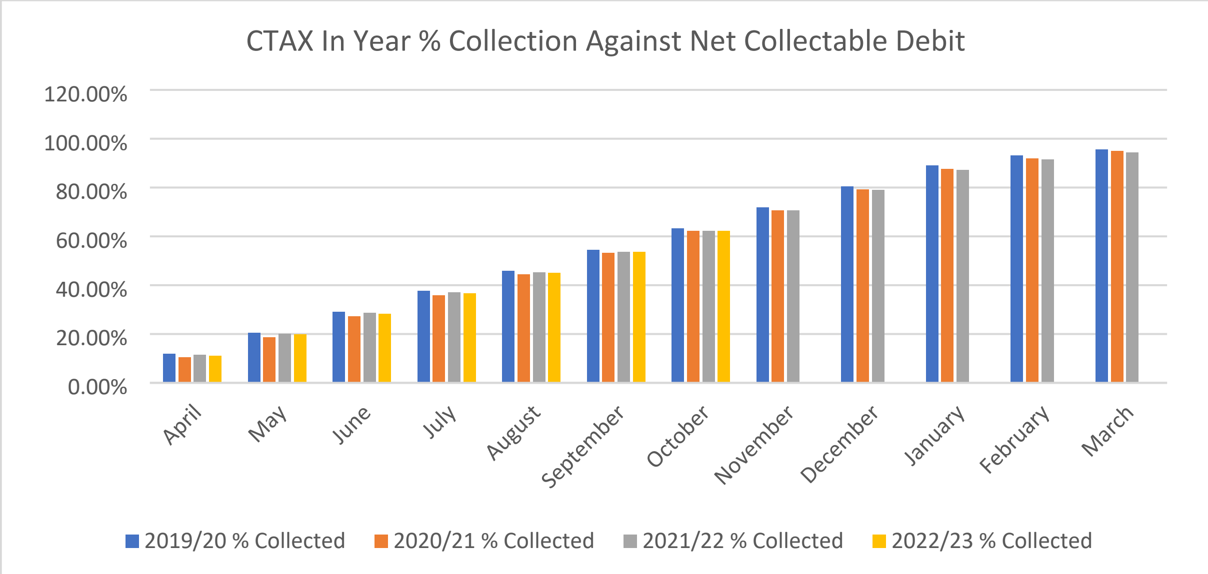
5.1 For the purposes of this report, current year information has been compared against 2019-20, 2020-21 and 2021-22. This is to allow a visible comparison from pre-pandemic through to current period.

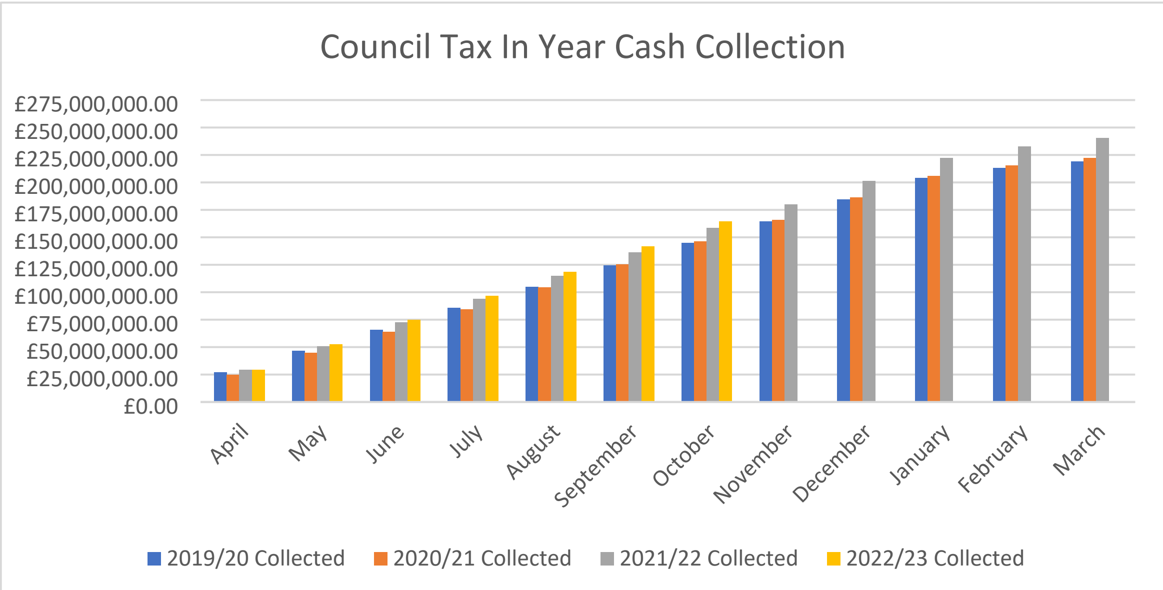
5.2 The collection rate in October 2022 is 62.21%, this is 0.04% higher than October 2021, 0.03% lower than October 2020, and 1.06% lower than October 2019 (pre-pandemic). Benchmarking within London shows this is not unique, and CSG are focusing on older council tax debt as they onboard more staff to support overall across local taxation and benefits.

5.3 In cash terms, current collection levels are £6.007m higher than October 2021, £18.028m higher than 2020 and £19.700m 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 7 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 (£0.098m) from previous months' and are now forecasting to be £0.384m above budget. This can be managed through the Collection Fund Adjustment Account.

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





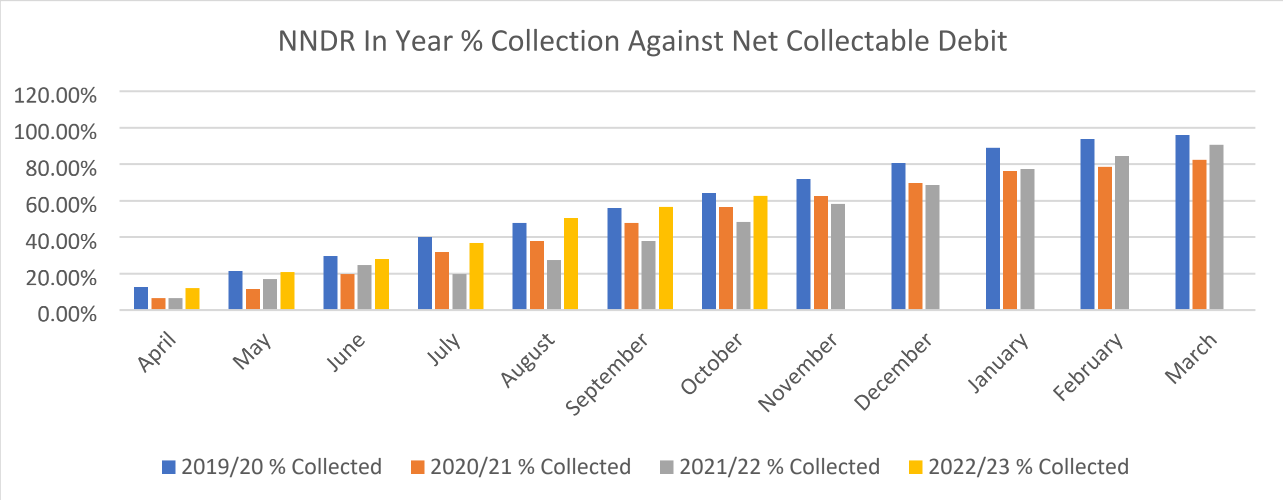
<u>Collection Fund – Business Rates</u>

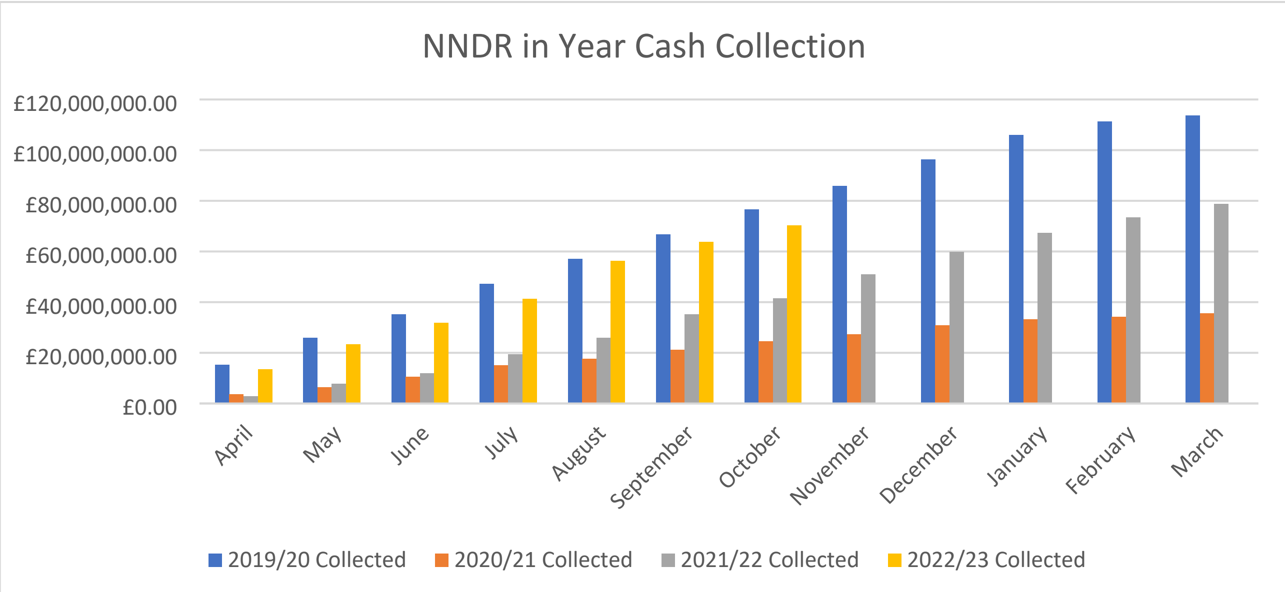
5.6 The Business Rates collection rate in October 2022 is 62.80%, an increase of 14.48% compared to October 2021, 6.32% compared to October 2020 but 1.26% lower than October 2019. Every month since January 2022 has seen the collection rate exceed the prior year's rate.

5.7 In cash terms, the current collection level is £28.715m higher than October 2021, £45.650m higher than October 2020 and £6.359m lower than October 2019. The cash collection is impacted by the Net Collectible debit (NCD) in each year. In October 2022, the NCD is £25.915m higher than October 2021, however £7.740m lower than October 2019 (pre-pandemic). The NCD is impacted by the amount of grant received by the council, for example, expanded retail reliefs.

5.8 Collection rates have seen an increase following the award of £5.8m Covid Additional Relief Fund (CARF). This relief has been paid onto business rates accounts for 2021-22 liabilities in accordance with legislation, for accounts where CARF places them into credit, the balance has been carried over to 2022-23 liability year. Businesses do have a right to request a refund instead under legislation, this will be monitored monthly..

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





<u>Emergency financial support for residents</u>

5.10 Emergency support is in the form of Discretionary Housing Payments (DHP), Discretionary Council Tax Discounts (S13A) and Resident Support Fund payments (previously named Local Welfare Assistance).

- DHP awards in October 2022 are £0.841m, a 9.21% reduction in expenditure against October 2021. This is because the DHP funding for 22-23 is £0.500m less than 2021-22. The council's DHP funding provided by DWP is £1.445m. The October expenditure extrapolated over the year will result in 100% of the allocation being awarded, this will continue to be monitored, however it is forecast the full allocation will be awarded.
- Discretionary Council Tax Discounts (Section 13A payments) awarded in October 2022 are £0.188m, a 11.90% increase against October 2021.
- Resident Support Fund. At the end of October 2022, the total awarded value is £0.396m. There has been a total of 1,423 applications until the end of month 7, compared to 1,247 during the same period in 2021. Whilst the true impact of Cost of Living isn't reflected in the

number of applications, work is underway to pro-actively engage with residents ensuring visibility of the fund and the welfare team have returned to LBB from October 2022.

Court Costs

5.11 October 2022 court costs awarded are £1.669m. This is 3% lower than October 2021, no costs were awarded in October 2020, and 8.3% higher than October 2019 (pre-pandemic). The council budgets for income of £1.689m.

5.12 Court costs collected in October 2022 are £0.919m. This is 16% higher than October 2021, 552% higher than 2020, and 8.52% higher than 2019. October 2020 was significantly lower as a result of the council's pandemic response.

Housing Benefit Overpayments (HBOP)

5.13 Housing Benefit Overpayment Collection at the end of October 2022 is £1.380m. This is 11.13% lower than October 2021 (£1.553m), however 82% higher than 2020 and 36.70% higher than 2019 (pre-pandemic).

5.14 The council has budgeted £2.712m of income for 2022-23. Whilst the forecast is currently to deliver the budget, there are risks arising from staff turnover, 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 beginning from September 2022. The HBOP team have recently had a full health check with Barnet's software supplier Civica and are now working on the implementation of innovations and efficiencies.

Sundry Debt

5.15 Between September 2022 and October 2022 overall debtors increased by £5.366m. An analysis of debtors as at the 31 October 2022 is provided below at Table 14. It should be noted that this information is a snapshot as at that date and the overall position varies.

Table 14 Aged Debt Analysis as at 31st October 2022

Debtor	Not Overdue £m	Up to 30 days £m	30 - 60 days £m	60 - 90 days £m	Over 90 days £m	Total Debt £m
Month 7	1.701	4.315	8.326	0.611	21.918	36.871
Month 6	4.906	1.946	0.980	3.214	20.459	31.505
Movement	**(3.205)**	**2.369**	**7.346**	**(2.603)**	**1.459**	**5.366**

5.16 Table 15 overleaf gives detail of the top ten individual debts by debtor, totalling £21.208m.

Table 15 Top 10 debtors as at 31st October 2022

Debtor	Total Debt	Not Overdue	Up to 30 days	30 - 60 days	60 - 90 days	Over 90 days

	£m	£m	£m	£m	£m	£m
NHS North Central London CCG	11.459	-	2.633	0.279	0.036	8.511
NHS North Central London ICB	7.394	-	0.160	7.234	-	-
The Fremantle Trust	1.357	-	-	-	-	1.357
Affinity Water	0.342	0.070	0.030	-	0.239	0.003
Beis Medrash Elyon School	0.143	-	0.004	0.004	-	0.135
Mayor's Office for Policing and Crime	0.144	-	-	0.127	-	0.017
COMMUNITY FOCUS INCLUSIVE ARTS	0.095	-	0.006	-	-	0.089
MEADOWSIDE RES. CARE HOME	0.095	-	-	-	-	0.095
NHS Northeast & North Cumbria ICB	0.100	-	0.027	0.006	-	0.067
NHS Haringey Clinical Commissioning Group	0.085	-	-	-	-	0.085
Total	**21.214**	**0.070**	**2.860**	**7.650**	**0.275**	**10.359**

5.17 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 October 2022, the level of overdue debt related to individuals who receive adult social care services was £11.46m. Historical Debt (All debt up to December 21) has been reduced by about 48% from Nov 21 high of £9.3m. As of 31 October, historical debt was £4.8m (of which Deferred Payment Arrangement (DPA) Debt accounts for £1.5m). The target is to bring historical debt to £2m by December 2022 (including DPA Debt). New and ongoing debt (All debt from Jan 22) has been growing and stands at £4.9m (of which DPA debt accounts for £1.3m). Updates are provided to Adults & Safeguarding Committee as part of regular reporting.

5.18 NHS NCL total debt has increased by £5.698m. Invoices up to 30-60 days and over has increased by £3.954m and increased by £0.243m for those overdue by 30-60 days. The value of invoices due over 90 days have increased by £0.601m. There are ongoing invoice queries which we are working on to resolve. Work continues to ensure prompt payment of invoices raised. There are ongoing meetings with NCL to discuss improvements to processes on both sides with a view to reducing the debtor days.

5.19 The legal situation with The Fremantle Trust is still ongoing and the CFO is working towards achieving a resolution. This also includes the debt allocated to Meadowside Residential Home.

5.20 Affinity Water are in receipt of an invoice for £0.237m and have queried the net and VAT amount billed. This has been passed to the service area to investigate. £0.033m has been paid.

5.21 A credit note issued on the account Metropolitan Police Service has been mis-allocated and used by the customer causing a shortfall in their remittance to Barnet. They have been requested to resolve this issue.

5.22 After investigation, it has been found that Beis Medrash Elyon School invoices are erroneous and are being cancelled and reissued to the correct organisation.

5.23 Community Focus Inclusive Arts invoices are currently under discussion with their CEO and LBB.

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

5.25 NHS Northeast & North Cumbria ICB requested copy invoices as these were not on their system. They have confirmed that these have now been sent for payment.

5.26 NHS Haringey Clinical Commissioning Group debt is being dealt with alongside NHS North Central CCG and ICB.

Treasury & Liquidity

5.27 The council adopted its current Treasury Management Strategy Statement (TMSS) at Full Council in March 2022. There have been no revisions since that time.

5.28 At M7, the council held £213.800m in short-term investments with an interest rate spread from 0.70% to 4.08%, averaging 1.86% yield. £108.8m is invested in same-day money market funds (MMF) with the balance of £105.0m in fixed term deposits with maturity dates of less than 1 year.

5.29 The above spread of investments is in line with the market offering higher yields and the organisation being sufficiently liquid to place more in fixed term deposits. The council has also reactivated its facility with His Majesty's Treasury's Debt Management Office (DMO) to manage high cash balances and invest surplus cash if required, as many organisations the council might transact with are being watched for credit quality.

5.30 At M7, the council is not forecasting to breach its major indicators for external borrowing – the operational boundary (£959.047m) and the authorised limit (£1,058.031m).

5.31 The council acted in September to take c.£50m of further external borrowing at a rate of 2.4%. This takes total long-term borrowing to £689.1m of which £63.0m is Lender Option Borrower Option (LOBO) loans where the lender option is next due in 2024. The remaining £626.1m is long-term borrowing from the Public Works Loans Board (PWLB).

5.32 Since reporting to this committee at M4, a technical breach of the TMSS was found. This was through deposits with Registered Providers breaching the quantum laid out in the TMSS versus credit quality and loss of principal risk. This was reported to both the CFO and Head of Internal Audit, in line with TMSS guidelines, and additional controls are in place to ameliorate this happening in the future.

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 7

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

9.1.0 This supports the council's corporate priorities as expressed through the Corporate Plan which sets out our vision and strategy for the borough. This includes the outcomes we want to achieve for the borough, the priorities we will focus limited resources on and, our approach for how we will deliver this.

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

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

9.3 Legal and Constitutional References

9.3.0 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.

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

9.3.2 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 Finance including: • Recommending the Capital and Revenue Budget (including all fees and charges); and Medium Term Financial Strategy; to Full Council for adoption • Revenue and Capital Monitoring and Expenditure: Committee to receive a cross-council overview with theme committees scrutinising revenue and capital expenditure within their remits • Treasury Management • Local Taxation • Insurance • Corporate Procurement • Revenues and Benefits • Grants • Writing-Off Debt • Virements • Effective Use of Resources • Procurement Forward Plan

To be responsible for Finance including: • Recommending the Capital and Revenue Budget (including all fees and charges); and Medium Term Financial Strategy; to Full Council for adoption • Revenue and Capital Monitoring and Expenditure: Committee to receive a cross-council overview with theme committees scrutinising revenue and capital expenditure within their remits • Treasury Management • Local Taxation • Insurance • Corporate Procurement • Revenues and Benefits • Grants •

Writing-Off Debt • Virements • Effective Use of Resources • Procurement Forward Plan Performance Monitoring and Management: Cross-organisation overview of performance with performance in the terms of reference of another theme committee being scrutinised by that committee 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 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.

9.4 Insight

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

9.5 Social Value

9.5.0 No application to this report

9.6 Risk Management

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

9.7 Equalities and Diversity

9.7.0 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:

9.7.0.0 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.

9.7.0.1 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.

9.7.0.2 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.

9.7.0.3 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.

9.7.0.4 Tackle prejudices and promote understanding.

9.7.0.5 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

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

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

9.7.3 Measures undertaken as part of the council's response to the Covid-19 pandemic have been undertaken in full awareness of the council's commitment and responsibility to act in accordance with its own Equalities Policy and wider legislation. It is notable that the virus does appear to affect some parts of the community more than others and the council's actions have been informed by its commitment to mitigate impacts in all areas, and to appropriately protect or shield especially vulnerable individuals, in accordance with national guidelines.

9.8 Corporate Parenting

9.8.0 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

9.9.0 None in the context of this report

9.10 Environmental Impact

9.10.0 None in the context of this report

9.11 Background Papers

9.11.0 None