



Community Leadership and Libraries Committee

7 February 2023

Title	Community Leadership and Libraries Forecast Financial Outturn at Month 9 (December 2023)
Report of	Chair of the Community Leadership and Libraries Committee
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 9 (31 December 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 7th February 2022, for the services which fall within the Community Leadership and Libraries Committee.

1.2. At month 9 the forecast revenue financial outturn on the General Fund is:

1.2.1. Forecast underspend of £0.168m and a favourable movement of £0.229m since month 4.

1.2.2. There are no reserves to be drawn down this financial year.

2. Forecast Position at Month 9

Overview

2.1. As at month 9, the forecast outturn is a £0.168m underspend.

Table 1: Forecast Revenue Outturn at Month 9

Community Leadership Libraries	2022-23 Budget	Month 9 (Forecast outturn before reserves)	Reserves applied	Month 9 Forecast outturn after reserves	Month 9 variance after reserves	Change in Variance Since M4
	£m	£m	£m	£m	£m	
Community Safety	2.249	2.249	-	2.249	-	-
Community Safety – Family Services	1.381	1.094	-	1.094	(0.287)	(0.187)
Youth Justice Service	0.539	0.619	-	0.619	0.080	0.025
Libraries	4.164	4.202	-	4.202	0.038	(0.068)
Registrars	(0.206)	(0.203)	-	(0.203)	0.003	0.003
Grants	0.029	0.029	-	0.029	-	-
Total - Community Leadership Libraries	8.157	7.989	-	7.989	(0.168)	(0.229)

2.2. Table 2 provides a breakdown of the variances as at Month 9 and underlying budget position.

Table 2: Month 9 variance detailed commentary

Service Areas	Month 9 variance after reserves	Commentary
	£m	
Community Safety – Family Services	(0.287)	<p>£0.405m additional grant income, offset by staffing overspends of £0.052m, caused in part by use of agency staff, and £0.066m contract payments for projects supporting the Community Safety service.</p> <p>The movement from month 4 relates to a £0.117m reduction in staffing costs in the MOPAC service and £0.060m of additional grant income.</p> <p>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.</p>
Youth Justice Service	0.080	<p>£0.277m staffing pressure, partly through use of agency staff, £0.277m. Partly mitigated by a £0.030m uplift in the 2022/23 Youth Justice Board funding; and £0.162m additional income.</p>

Service Areas	Month 9 variance after reserves £m	Commentary
		A change of £0.025m from month 4.
Libraries	0.038	Pressure due to staffing costs, where staff previously outside of the Local Government Pension scheme (LGPS) have now re-joined. Income levels have also been revised down, based on actuals to date. The favourable movement since month 4 is related to an increased budget to support the inflationary pressures in utilities.
Registrars	0.003	Small increases in running costs in the registrars' service.
Total - Community Leadership Libraries	(0.168)	

2.3. Community Safety is forecasting a net nil variance at month 9. This includes the below variances:

2.3.1. The increased budget for CCTV, related to the revenue cost of leasing the BT/Openreach lines is underspending by £0.250m in-year. This is reflected by delays in the capital programme, installing fibre backhaul on additional CCTV sites. Expenditure is expected from April 2023.

2.3.2. This is offset by an underachievement of Fixed Penalty Income in-year, due to delayed recruitment, training, and purchasing equipment. This has resulted in expected revenue only being generated from December 2022 onwards. Income is expected to return to target levels from 2023/24.

Approved Budget Amendments since M4 Outturn report

1.1. Community Safety

1.1.1. 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:

1.1.2. £0.300m uplift to the CCTV budget, which is included in the month 9 Community Safety budget. This is to support the revenue implications of leasing the BT/Openreach lines which are being installed.

1.1.3. £0.515m has been made available to support Community Hubs and ward walks and will be applied from contingency.

- The expenditure budget available has been identified through additional income from fees and charges uplifted from January 2023 and savings to members allowances.
- Officers are currently costing the expected financial impact in 2022/23, and the required budget will be drawn-on at-year end to reflect this council priority.

1.2. The 2022/23 Local Government Pay Award, announced in November 2022, is now reflected in council staffing budgets, and backdated to April 2022.

- 1.2.1. This reflects a pro-rated £2,229 salary increase to every Full Time Equivalent staff member.
- 1.2.2. This has no impact on the variance, as the increase in staffing costs are forecasted to be fully covered by the additional budget allocation.

Application of Reserves

- 1.3. 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.
- 1.4. 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.
- 1.5. This is no anticipated use of, or top-up of earmarked service reserves within this financial year.

Savings

- 1.6. The committee's budget for 2022/23 includes £0.075m of planned Medium Term Financial Strategy (MTFS) savings, which were agreed at Full Council in March 2022. The increasing of Fees and Charges from January 2023 has resulted in an additional income target of £0.009m, bringing the 2022/23 income target to £0.084m. It is currently forecasted that all £0.084m of these savings will be achieved, although the risk status has been changed to Amber at M9. Income from future years is expected to recover through improved facilities and increased marketing strategy.

Table 4 Savings Delivery 2022/23

Savings Reference	Opportunity By Area	Description of saving	2022/23 Savings £m	Forecast Achievable £m	Unachievable £m	RAG Rating
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.	(0.084)	(0.084)	-	AMBER
			(0.084)	(0.084)	-	

- 1.7. All savings at this committee relate to increased income from the Registrars' service.
- 2.10.1 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.
- 2.10.2 Income levels have since returned to pre-covid levels, although Wedding income was slightly below expected levels in November and December 2022. This is not expected to continue into next year.
- 2.10.3 The impact is understood to be the result of:
- Reduced demand, as residents manage the cost-of-living crisis, and,
 - Delays to the initial refurbishment plans, due to the Covid-19 recovery, which have pushed back the start of the marketing campaign.
- 2.10.4 As mentioned, improvements to facilities at Hendon Town Hall and increased marketing, are expected to increase income generation from Marriage services going forward into next year.

Risks and opportunities

- 1.8. In preparing the report for month 9, various overall (corporate) and service-specific risks have been identified. These are set out below.

1.9. **Risks**

- 2.12.1 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.
- 2.12.2 Impact of the cost-of-living crisis on the demand for registration services as people look to reduce expenditure.
- 2.12.3 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.
- 2.12.4 Inflationary risks are under constant review and are informing both in-year reporting and future budget projections.
- 2.12.5 Other general risks include the cost of energy, impacting fuel costs, and the scarcity of skilled labour and materials placing upward pressure on contracts.

2.13 **Opportunities**

- 2.13.1 Possible further surpluses in the CCTV budget. The CCTV capital programme for installing BT/Openreach lines on additional sites has been re-profiled into 23/24. This means the revenue implications of leasing the BT/Openreach lines on these sites, and ongoing maintenance costs, will largely impact revenue budgets from 23/24. Most of these costs have now been removed from the 2022/23 forecast, but there is an opportunity for further underspend this year.
- 2.13.2 Potential to meet the increased Registrar's income target in Citizenship and Wedding services. The recent refurbishment of the Town Hall and the fact a dedicated wedding room has been established has provided the service with an opportunity to promote the service in a more attractive way and utilise the space to accommodate more ceremonies and offer a more complete package to couples.

3 Capital Programme

3.1 Community Leadership and Libraries Capital

- 3.1.1 The capital forecast outturn at month 9 for 2022/23 is £2.274m, with a forecasted budget re-profiling of £1.813m in the Enforcement CCTV project.

Table 7 Current Financial Year Forecast Capital Outturn at Month 9

Community Leadership Libraries	2022-23 Budget	2022-23 Forecast	Variance from Approved Budget	2023/24 Budget	2023/24 Forecast	Variance from Approved Budget
	£m	£m	£m			£m
Libraries Capital Programme	0.111	0.111	0	0	0	0
Enforcement CCTV	2.163	0.350	(1.813)	0.200	2.013	1.813
Total - Community Leadership Libraries	2.274	2.274	(1.813)	0.200	2.013	1.813

3.2 Libraries Capital Programme

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

3.3 Enforcement CCTV

- 3.3.1 The programme is forecasting to spend £0.350m this year, with £1.813m re-profiled into next year. The budgets will be re-aligned to reflect the month 9 forecast, at Policy & Resources Committee on 22 February 2023.
- 3.3.2 The control room construction started on site on 9th January 2023 and will finish in late February 2023.
- 3.3.3 The contract with the CCTV installation contractor was signed in January 2023. Once equipment orders can be placed, costs will be incurred from April 2023/24.
- 3.3.4 Governance arrangements around the fibre connections (with BT Openreach) are being finalised and costs are also expected to fall into next financial year.

4 REASONS FOR RECOMMENDATIONS

- 4.1 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 9 (December 2022).

5 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 5.1 None

6 POST DECISION IMPLEMENTATION

- 6.1 None

7 IMPLICATIONS OF DECISION

7.1 Corporate Priorities and Performance

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

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

- 7.2.1 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.

7.3 Legal and Constitutional References

- 7.3.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.
- 7.3.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.
- 7.3.3 The Financial Regulations in the council’s constitution have been amended to reflect the responsibility for Theme Committees for the oversight and scrutiny of:
- 7.3.4 The overall financial performance of the services operating within the remit of the respective Theme Committee.
- 7.3.5 The council’s current Financial Regulations can be found at: <https://barnet.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD349&ID=349&RPID=638294>

7.4 Insight

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

7.5 Social Value

- 7.5.1 None applicable to this report.

7.6 Risk Management

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

7.7 Equalities and Diversity

- 7.7.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties, they are not duties to secure a particular outcome. Consideration of these duties should precede the decision. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:
- 7.7.2 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.

- 7.7.3 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.
- 7.7.4 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.
- 7.7.5 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:
- 7.7.6 Tackle prejudice and promote understanding.
- 7.7.7 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
- 7.7.8 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.
- 7.7.9 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
- 7.7.10 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.

7.8 Corporate Parenting

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

7.9 Consultation and Engagement

7.9.1 None in the context of this report

7.10 Environmental Impact

7.10.1 None in the context of this report

8 BACKGROUND PAPERS

8.1 None