



Housing & Growth Committee

23rd March 2023

Title	Housing & Growth Forecast Financial Outturn at Month 10 (January 2023)
Report of	Chair of Housing & Growth Committee
Wards	All
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Key	No
Enclosures	None.
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Summary	
This report contains a summary of the revenue and capital forecast outturn for the financial year 2022/23 as at Month 10 (31 January 2023) for the budgets within the remit of Housing & Growth Committee.	
Officers Recommendations	
That the committee notes: 1. the current forecast financial outturn for 2022/23. 2. the projected use of reserves (Table 2)	

1 Summary

1.0 This report sets out the forecast outturn position for the 2022/23 financial year as at 31 January 2023, for the budgets which fall within the Housing & Growth Committee.

1.1 At month 10, the forecast revenue financial outturn on the General Fund is:

- A forecast of £0.174m under budget at month 10, a favourable movement of £0.052m since month 8.
- A forecast net reserve drawdown of £0.233m.

2 Forecast Position at Month 10

Overview

1.0 As at month 10, the forecast outturn is £0.174m under budget.

Table 1: Forecast Revenue Outturn at Month 10

Housing & Growth	2022-23 Budget	Month 10 (Forecast outturn before reserves)	Reserves applied	Month 10 Forecast outturn after reserves	Month 10 variance after reserves	Month 8 variance after reserves	Change from Month 8
	£m	£m	£m	£m	£m	£m	£m
CSG Managed Budget	4.311	4.622	-	4.622	0.311	0.219	0.092
Employment Skills & Economic Development	0.674	0.674	-	0.674	-	-	-
Estates	1.508	1.338	-	1.338	(0.170)	(0.170)	-
Growth and Housing	0.765	1.486	(0.767)	0.719	(0.046)	-	(0.046)
Housing Strategy	5.350	5.066	0.015	5.081	(0.269)	(0.186)	(0.082)
Regeneration	-	0.143	(0.143)	-	-	0.015	(0.015)
Brent Cross Revenue	(1.988)	(2.650)	0.662	(1.988)	-	-	-
Transformation Programme	0.035	0.035	-	0.035	-	-	-
RE Guaranteed Income	(4.873)	(4.873)	-	(4.873)	-	-	-
Housing & Growth Committee	5.782	5.841	(0.233)	5.608	(0.174)	(0.122)	(0.052)

1.1 Table 2 provides a breakdown of the variances as at month 10 and underlying budget position.

Table 2: Month 10 variance detailed commentary

Service Areas	Month 10 variance after reserves £m	Commentary
CSG Managed Budget	0.311	<p>£0.311m due to an increase in parking leases at North London Business Park and Harrow Depot, from delays in the Oakleigh Road Depot programme; increased cyclical repairs based on pro-rated actual costs to date.</p> <p>Other pressures include:</p> <ul style="list-style-type: none"> • £0.293m cost at Oakleigh Road depot (ORD) for extra Parking and Transport services for the depot consolidation. • £0.123m Apthorp Lodge security costs <p>These costs have been offset by:</p> <ul style="list-style-type: none"> • £0.123m reduction in Annual Work Plan repairs • £0.100m Expected savings in cyclical and planned repairs • £0.135m Backdated rent for commercial tenants • £0.025m Reduced rates based on actual costs to date • £0.020m Saving on security costs • £0.013m miscellaneous surpluses
Estates Management	(0.170)	£0.170m reduction in Estates legal costs and delayed recruitment. This is a favourable movement since M6. £0.100m of the underspend is ongoing and will contribute to the council's 2023/24 MTFS target.
Growth and Housing	(0.046)	£0.046m underspend due to delays in starting some housing feasibility projects until 2023/24. There is also a reduction in additional staffing costs, due to delays in recruitment.

Housing Strategy	(0.269)	<p>£0.269m reduction in the required Bad Debt Provision needed to mitigate risk of outstanding rental income. This is the result of an extensive ongoing review of debt and the overachievement of expected historical debt recovery. This item is a one-off benefit in year.</p> <p>There is also a reduction in additional staffing costs, due to delays in recruitment.</p> <p>The operational costs for running the Temporary Accommodation and Rough Sleeping services are forecasted to budget.</p> <p>The cost of an additional short-term team to manage expected increases in prevention activities and housing support, is now funded through additional Homelessness Grant received in December 2022. Homelessness reserves will be maintained to manage pressures in future financial years.</p>
Total H&G Committee	(0.174)	

Application of Reserves

- 1.2 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. Section 25 of the Local Government Act 2003 requires the chief financial officer to report to the council on the robustness of estimates and the adequacy of financial reserves, and prudent levels are determined by the Chief Finance Officer (the Director of Resources (Section 151 Officer)). Earmarked reserves are usually held by specific services, while general reserves are held corporately.
- 1.3 The use of reserves is not intended to replace savings or income generation opportunities as part of the Medium-Term Financial Strategy (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.
- 1.4 This report sets out anticipated use of or top-up of earmarked service reserves within the 2022/23 financial year. The table below provides further detail.

Table 3 Use of or top-up of reserves at Month 10

Service Areas	Forecast (drawdown) / top-up to reserves	Commentary
	£m	
Growth and Housing	(0.767)	<p>(£0.188m) drawdown for One Public Estate funded works around Colindale and Graham Park; (£0.226m) for Southgate/ Osidge Land; and (£0.056m) drawdown for works around Colindale West. This includes consultants used to develop a delivery plan, reviewing the connectivity of and use of land, engagement, and communications.</p> <p>(£0.256m) Drawdown of Fire safety reserve, for fire safety enforcement officers reviewing high and mid-rise private sector properties in Barnet and covering new legal and audit requirements.</p> <p>(£0.207m) drawdown to fund additional staff to manage the backlog of HMO enforcements (visits restricted due to Covid-19) and help fund the cost of the additional housing licencing scheme. This is part of a larger fund of £0.325m from other council reserves. There are 153 possible HMO service requests requiring visits/enforcements to be funded between now and the end of 2023/24.</p> <p>£0.166m top up to from Growth and development to fund reviews of potential sites for future regeneration in the borough.</p>
Housing Strategy	0.015	<p>£0.015m top up for Minerva House. Grant funding to fund running costs and support the continuation of the women's refuge service.</p> <p>To note, the council has received additional Homelessness grant in-year to support prevention activities. The grant conditions stipulate the income must match expenditure incurred in this financial year. Current Housing reserves which were previously forecasted</p>

		to be used in year, will be maintained for use in future financial years to help fund the expected increasing pressures around Homelessness and Temporary Accommodation.
Regeneration	(0.143)	£0.007m Top-up to the Digital and Smart Cities reserve. This is a one-off reserve to fund the staffing costs required to oversee a project bringing Broadband to areas across the council where there is currently low levels of connectivity. (£0.150m) drawdown from general reserves to fund one-off costs related to the Local Plan development and associated legal costs.
Brent Cross Revenue	0.662	£0.607m Brent Cross Retail Park top-up to the Brent Cross Retail Park reserve. The reserve assists with the council's future vacant possessions strategy. £0.055m for the operating reserve for the Brent Cross West Station which goes live in 2023.
Total H&G Committee	(0.233)	

Savings

- 1.5 The budget for the services within the remit of the Housing & Growth Committee for 2022/23 includes planned savings of £0.961m. It is currently forecasted that all £0.961m of these savings will be achieved.
- 1.6 The council previously identified a risk to the delivery of the 500 *Housing Acquisitions Open Door Homes* (ODH) capital programme, which may have impacted the in-year achievement of Temporary Accommodation cost avoidance savings. The programme was approved to continue to 230 purchases at this Committee on 25 October 2022, which has minimised any financial risk in 2022/23.
- 1.7 In future years, the risk remains. External economic events have resulted in Public Works Loan Board (PWLB) rates now exceeding 4%, and therefore, ODH borrowing rates exceeding 5.24%. Analysis of the ODH business plan identified that a maximum borrowing rate of 4.25% was sustainable. Any funds borrowed above this rate would render the business plan unviable. Progress beyond 230 purchases cannot occur, without council intervention.
- 1.8 Delegated authority was given to the Chair of the Committee, in consultation with the Deputy Chief Executive, to agree terms for loan drawdowns, to complete the purchase to the 300 homes in 2023/24. This represents a risk to future years cost avoidance savings, with the council and The Barnet Group working through potential mitigations.

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 sav 4	Housing Strategy	500 additional acquisitions of properties for use as affordable temporary accommodation by Open Door Homes supported by Loan from Council, as a cheaper alternative to existing temporary arrangements which utilise the private rented sector.	(0.664)	(0.664)	-	
G&CS 22 sav 1	Housing Strategy	Buyback of properties through GLA Buyback grant, which the council will use for temporary accommodation.	(0.056)	(0.056)	-	
G&CS 22 inc 38	Estates	Additional income from the existing commercial portfolio, including new lettings and rent reviews	(0.050)	(0.050)	-	Delivered
G&CS 22 inc 39	Estates	Income received from renting floor space in Colindale Office	(0.075)	(0.075)	-	Delivered
G&CS 22 inc 40	Housing Strategy	Income received as dividends on completed affordable homes delivered by Opendoor Homes	(0.116)	(0.116)	-	Delivered
			(0.961)	(0.961)	-	

Risks and opportunities

1.9 In preparing the report for month 10, various overall (corporate) and service-specific risks have been identified. These are set out below.

1.10 Risks:

- The Estates service conducts monthly reviews of the outstanding commercial debt. This could lead to subsequent write-offs of income related to prior years. An extensive review of all debt at financial year-end 2021-22, resulted in a £0.392m increase in the bad debt provision, which should mitigate the risk of further write-offs. The level of outstanding debt will again be reviewed at outturn.
- The current forecasted outturn position in Temporary Accommodation (TA) considers:
 - The challenging macro-economic environment, where increases in energy and utilities costs may lead to an increase in demand if more households are evicted due to inability to pay rents and mortgages.
 - Market forces increasing the costs of TA, making it more difficult for the council to secure affordable, good quality housing. This includes the availability of properties in the private rented sector, and the increasing cost of Nightly-paid, short term TA.
 - A rise in demand has been factored into the current forecast, so, although the risks remain, any additional pressures more likely to be in next financial year.
- Apthorp Lodge historic electricity costs, which are being reviewed and disputed.

1.11 Opportunities:

- Lease extensions and rent reviews of council owned properties; billing of historic rental income related to existing council sites.
- Brent Cross West pursuing parallel strands of activity with Government sponsors and our commercial partners to recover costs that have arisen by third parties and outside of council control. For example, the week 35 cancellation reported to the committee previously, and cancellations earlier in the station programme.

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 Full Council in March 2023.

3.2 The service-related elements of the HRA are projected to be £0.338m adverse to budget. This will be offset by an increase of £0.338m in RCCO (Revenue contribution to Capital Outlay). The £0.338m adverse variance is comprised of:

- £0.892m adverse position in Housing Management:
 - An increased forecast of £0.746m above budgeted resources due to the revised inflationary increase on TBG Core fees arising from the local government pay award which was budgeted at 3% and the accepted offer averaged at 6.31% for TBG.
 - A forecast £0.146m overspend related to additional bin replacements and collections at Grahame Park estate. The in-year target has been assessed through the year, with actuals to date greater than expected. This will continue to be reviewed in the coming months.
- A forecast £0.156m overspend is due to an increase in Gas and Electricity costs on HRA Estates and Sheltered Housing blocks. The increase in costs is not being passed to tenants or leaseholders, who were charged at levels planned at the start of the year which reflected the consumer price cap. The HRA is absorbing the cost in-year.

Partly Mitigated by:

- £0.120m overachievement on commercial rent income. Similar number of units are expected to be rented out this year, as last year. The number of units are higher than budgeted.
 - £0.115m savings on interest costs on HRA debts. This is due to early borrowing that happened last financial year, taking advantage of the lower interest rates which were available at the time.
 - £0.141m overachievement on income on water rates.
 - £0.096m overachievement on interest income earned on HRA cash balances. This is due to higher average interest rates expected this financial year.
 - £0.261m reduction in the required provision for Bad Debts.
- The forecast includes the capitalisation of regeneration staff costs, associated with site preparation on various regeneration programmes, such as Dollis Valley and Grahame Park.

Table 6: HRA forecast at Month 10

HRA - Revenue	21-22 Outturn	2022-23 Budget	Month 10 Forecast Outturn after reserves	Month 10 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	20.343	0.892	-
Other Costs	1.735	1.806	1.962	0.156	-
Internal recharges	2.839	2.870	2.868	(0.002)	(0.002)
Repairs & Maintenance - Mgt 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)	-
Regeneration	0.168	0.685	0.711	0.026	0.006
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)	(13.320)	(12.982)	0.338	0.004
Depreciation	12.222	12.683	12.683	-	-
RCCO	1.933	0.536	0.198	(0.338)	(0.004)
HRA Capital Charges	14.155	13.219	12.882	(0.338)	(0.004)
HRA (Surplus)/Deficit	(0.020)	(0.100)	(0.100)	-	-

*(Revenue Contribution to Capital Outlay)

3.3 The projected HRA reserve is £4.121m.

Table 7: HRA reserves at month 10

	B/Fwd	Revenue Movement	Depreciation & RCCO	Forecast Funding for Capex CFR	C/Fwd
	£m	£m	£m	£m	£m
HRA Reserve	(4.020)	(12.982)	12.882		(4.121)
Major Repairs Reserve	(2.000)		(12.882)	12.882	(2.000)
HRA Reserves	(6.020)	(12.982)	-	12.882	(6.121)

4 Capital Programme

2.1 The Housing & Growth Capital Programme includes:

- 2.1.1 General Fund Capital Programme
 - Housing & Growth Capital
 - Housing & Growth (Brent Cross)
- 2.1.2 Housing Revenue Account Programme
 - Housing Revenue Account

2.2 Housing & Growth Capital

2.2.1 The capital forecast outturn at month 10 for 2022/23 is £65.268m; this represents a £4.685m favourable variance from the current 2022/23 budget, approved at February 2023 Policy & Resources Committee. This is due to re-aligning the programmes into future financial years.

Table 7 Current Financial Year Forecast Capital Outturn at Month 10

Service Area	Original 2022/23 Budget	2022/23 Budget	Re-profiling (to)/ from future years	2022/23 Forecast	Variance from Approved Budget	Expenditure to date
		£m	£m	£m	£m	£m
Growth and Corporate Services - Housing	73.735	34.371	(1.049)	33.322	(1.049)	33.170
Growth and Corporate Services - General	68.805	35.115	(3.270)	31.845	(3.270)	21.191
Re - (Growth and Corporate)	6.059	0.657	(0.547)	0.100	(0.547)	0.032
Housing General Fund Capital	148.599	70.133	(4.685)	65.268	(4.685)	54.393

2.2.2 General Fund Housing:

- Microsites - £0.702m budget is part of the work under New Build Housing (Tranche 3) and the remaining budget has been moved to the New Build Housing programme and re-profiled into 2023/24 to reflect development timelines.
- Small Site General Fun programme - £0.287m re-profiled into next year to reflect project delays.

2.2.3 Housing & Growth – General:

- Town Centres - £0.100m re-profiled into next financial year due to delays in Finchley Square starting on site, and changes in the delivery programme to align with the wider development.
- Hendon Hub - £0.494m re-profiling into 2022/23 due to delays to planned acquisitions into the next financial year.
- Colindale FoW Modifications - £0.643m delays due to changes in project scope and direction.
- Depot Relocation - £0.754m due to re-profiling into 2023/24 and a reduction in modular building procurement.
- Asset Management - £1.205m re-profiled due to changes in project scope.

2.2.4 Re (Housing & Growth): £0.547m of the Colindale - Highways and Transport programme has been re-profiled into 2023/24 to reflect planned works.

2.3 HRA Capital Investment

2.3.1 The HRA Capital programme budget reflects the most recently approved HRA Business Plan in March 2023 and capital budgets approved at March Policy and Resources Committee.

2.3.2 At month 10, the HRA capital programme is forecasting a £0.536m re-alignment into future financial years.

Table 8 Housing Revenue Account Capital Current Financial Year Forecast Outturn at Month 10

Service Area	2022/23 Budget	(Slippage)/ Accelerated Spend	2022/23 Forecast	Variance from	Expenditure to date
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	Original 2022/23 Budget				Approved Budget	
	£m	£m	£m	£m	£m	£m
HRA	124.562	97,968	(0.536)	97.432	(0.536)	62.377
Grand Total	124.562	97,968	(0.536)	97.432	(0.536)	62.377

2.3.3 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.

2.3.4 £0.400m re-profiling on HRA Acquisitions Programme - Phase 3, to reflect the updated timeline of purchases.

2.3.5 £0.136m related to additional programme spend re-profiled into 2022/23 on the Extra Care – Stag House programme, offset by delays to the small sites programme start date.

5 Brent Cross

2.4 Brent Cross Revenue

2.4.1 Brent Cross Revenue is forecasted to budget at month 10, no net movement since M8.

Table 9 M10 Brent Cross Revenue Budget Outturn

Scheme	2022/23 Budget	Month 10 (Forecast outturn before reserves)	Reserves applied	Month 10 Forecast outturn after reserves	Month 10 variance after reserves	Month 8 variance after reserves	Change from Month 8
		£m	£m	£m	£m	£m	£m
Brent Cross In-House Delivery Team	0.325	0.607	-	0.607	0.282	0.282	-
Brent Cross North	-	(0.002)	-	(0.002)	(0.002)	(0.002)	-
Brent Cross South	-	0.297	-	0.297	0.297	0.297	-
Brent Cross (Rental Income)	(0.257)	(0.134)	-	(0.134)	0.123	0.123	-
Brent Cross Retail Park	(2.056)	(3.418)	0.662	(2.756)	(0.700)	(0.700)	-
Grand Total	(1.988)	1.326	0.662	1.988	(1.988)	(1.988)	-

- **Delivery Team** - £0.282m pressure relates to a combination of programme staff pressures for non-capitalisable staff costs, other programme support costs and additional costs for the Hendon Waste Transfer Station site.
 - This represents a favourable movement of £0.094m since M8 due to reduced staffing resources required and deferred station related activity costs.
- **Brent Cross South** - £0.297m pressure deemed non-recoverable by the PDA and consequently funded by the Council. This is an unfavourable movement of £0.150m since M8 due to credit notes required to commercially close the prior years. The debt is due prior to the 31st March.
- **Brent Cross (rental)** - £0.123m pressure, due to leases ending and the handing over of properties to the Council's Brent Cross Town development partners. There is a favourable movement of £0.024m since M8 due to an unexpected business rate refund.
- **Brent Cross Retail Park** - favourable variance on BX Retail Park of £0.700m due to improved lease renewals (two units), one unit operational for longer than initially modelled and reduced letting fees required. This represents a favourable movement of £0.022m since month 8

- £0.002m other small variances.

2.5 Housing & Growth - Brent Cross Capital

2.5.1 Brent Cross – The Brent Cross capital programme is currently projecting re-profiling of net expenditure of £17.831m at M10 for 2022/23, due to revised commercial updates across the wider project. The 5-year programme is forecasting on budget.

Table 10 Brent Cross Capital Current Financial Year Forecast Outturn at Month 10

Service Area	Original 2022/23 Budget	2022/23 Budget	Reprofiling (to)/from future years	2022/23 Forecast	Variance from Approved Budget	Expenditure to date
	£m	£m	£m	£m	£m	£m
Brent Cross	73.423	73.894	(17.831)	56.063	(17.831)	39,331
Brent Cross	73.423	73.894	(17.831)	56.063	(17.831)	39,331

Table 11 Brent Cross Capital Current Financial Year Forecast Outturn at Month 10

Housing & Growth - Brent Cross	5-year Programme Budget	5-year Programme Forecast	Additions/ Deletions
	£m	£m	£m
Funding for Land Acquisitions	10.043	10.043	-
Brent Cross West	95.544	95.544	-
Critical Infrastructure	16.290	16.290	-
BXT Land Acquisition	17.496	17.496	-
Total Housing & Growth Committee - Brent Cross	139.373	139.373	-

2.5.2 BXC – Funding for land acquisitions

- The forecast at month 10 for 2022/23 identifies a need for re-profiling expenditure of £0.801m. This relates to realigning legal and professional fees into next year £1.111m offset by bringing forward expenditure mainly in relation to the Public Realm construction works £0.310m.
- The overall financial position is currently forecasted to budget. As previously noted to this committee, any surpluses in the interim will fund additional workstreams such as Infrastructure 2, the Station Western Entrance Public Realm and BX master planning.

2.5.3 BXT Land Acquisitions

- The forecast at month 10 for 2022/23 identifies a need for re-profiling expenditure of £0.973m. This is due to the deferral of two hardship property acquisitions into 2023/24 alongside the required legal and professional fees associated.
- The overall forecast remains on budget and is fully funded under the project development agreement.

2.5.4 Brent Cross West

- The forecast at month 10 for 2022/23 identifies re-profiling expenditure of £15.378m. Station construction is due to complete in early 2023.
- £14.230m reprofiling on BXW delivery packages is due to the forecasting of the liabilities and their likely impact date with both VolkerFitzpatrick (VFL) and Network Rail, which are taking time to resolve. The ongoing settlement discussions with VFL are expected to go beyond 31st March.
- Waste Transfer Station forecast has been updated to reflect the most up to date programme. This has resulted in £0.420m re-profiling to next financial year.
- £0.651m re-alignment from the land programme into the next financial year due to external land support not becoming due, as well as alignment of legal and professional fees.

- £0.077m of remaining work packages have been re-aligned into 2023-24, based on the latest legal and staff utilisation update.
- The overall programme is forecast to budget. However, there are potential pressures due to material cost inflation; supply chain issues due to Covid and the current economic climate, and a risk of cancelled railway possessions, which may prolong the construction programme. The availability and cost of raw materials continues to be an issue even at this late stage.

2.5.5 Critical Infrastructure

- The forecast at month 10 for 2022/23 identifies re-profiling of the budget of £0.679m into 2023/24:
 - £0.539m realignment within the sub-station work package. This relates to the BXS master cashflow programme update and specific PowerOn milestones
 - £0.066m realignment within Plot 53/ 54 due to the revised legal cost update
 - £0.074m of remaining work packages have been re-aligned into 2023-24, based on the latest staff utilisation update.

6. REASONS FOR RECOMMENDATIONS

- 6.1 This report contains a summary of the forecast revenue and capital outturn for the services within the Housing & Growth Committee, for the financial year 2022/23, as at month 10 (January 2023).

7. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 7.1 None

8. POST DECISION IMPLEMENTATION

- 8.1 None

9. IMPLICATIONS OF DECISION

9.1 Corporate Priorities and Performance

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

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

- 9.2.1 This report considers the forecast position of the services under the remit of the Housing & Growth Committee at the end of the financial year.

9.3 Legal and Constitutional References

- 9.3.1 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.

9.3.2 Under Section 25 of the Local Government Act 2003 (the 'Act') the Chief Finance Officer (the Director of Resources (Section 151 Officer)) of the authority must report to the council on the following financial matters:

- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.

9.3.3 Section 28 of the Act imposes a statutory duty on the council 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. Sub-section 28(4) of the Act defines whether there is deterioration in an authority's financial position.

9.3.4 The Financial Regulations in the council's constitution reflect the responsibility for the oversight and scrutiny of:

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

Article 7 of the council's constitution (Committees, Forums, Working Groups and Partnerships) sets out the requirement for theme committees to receive reports on relevant revenue and capital expenditure.

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

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

9.4 Insight

9.4.1 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.

9.5 Social Value

9.5.1 None applicable to this report.

9.6 Risk Management

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

9.7 Equalities and Diversity

9.7.1 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 public sector equality duty is set out at section 149 of the Equality Act 2010 (the 'EA') as follows:

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

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA
- (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.

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) It also covers Marriage and Civil partnership with regard to eliminating discrimination.

9.7.2 The EA is reflected in the council's Equalities Policy together with the 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.

9.7.3 Progress against the performance measures used is published on the council's website at: www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity

9.8 Corporate Parenting

9.8.1 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.

9.9 Consultation and Engagement

9.9.1 None in the context of this report

9.10 Environmental Impact

9.10.1 None in the context of this report

10. BACKGROUND PAPERS

10.1 Housing & Growth Committee 5th September 2022 - [M4 HG Forecast Outturn - PUBLIC.pdf \(moderngov.co.uk\)](#)

10.2 Housing & Growth Committee 16th November 2022 - [M6 HG Committee Forecast Outturn.pdf \(moderngov.co.uk\)](#)

10.3 Housing & Growth Committee 17th January 2023 – [M8 HG Committee Forecast Outturn.pdf \(moderngov.co.uk\)](#)

10.4 Housing & Growth Committee 25th October 2022 - 500 Acquisitions Capital Programme Progress Review - [ODH 200 Home Review - HG Committee 25 October 22.pdf \(moderngov.co.uk\)](#)