

Financial Forward Plan and Capital Programme

Council Budget 2016 – 2017



Budget 2016/17 Index

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Summary

On 17 December 2015 Department for Communities and Local Government (CLG) published the provisional local government finance settlement which set out the individual authority grant allocations. This report revises the Medium Term Financial Strategy (MTFS) in line with the publication, sets out the savings proposals, capital programme for the period 2016-20 and Council Tax for 2016/17.

Recommendations agreed by Council xx March 2016

- 1.1 Consider the issues that have, so far, emerged from the consultation when making their decisions. Consultation closed on 12 February, however due to the timings of compiling and publishing this report, the consultation is presented as an interim report, reflecting responses received as of 3 February 2016. A final consultation report will be reported to Council on 1 March, to inform final decisions on the council's budget. The committee make the decisions below also being mindful of the equalities impact assessments including the cumulative equalities impact assessments;**
- 1.2 Recommend to Council for approval the MTFS attached as Appendix 1 and the detailed revenue budgets in Appendices 2 and 3. The MTFS sets out all of the budget changes over the period 2016-20, including assumptions around inflation, changes to levies, pressures, savings and grant funding. It is the model around which the council's financial strategy is based.**
- 1.3 Recommend to Council that the budget for 2016/17 is prepared on the basis of no increase to council tax in 2016/17, other than for the increase set out below in 1.4 – subject to the results of the current consultation;**
- 1.4 Recommend to Council applying the social care precept at 1.7% in 2016/17 – to help fund care for the elderly – subject to the results of the current consultation;**
- 1.5 Note that the Chief Finance Officer under his delegated powers in accordance with para 4.3.2 of the Financial Regulations has calculated the amount of 135,324 (band D equivalents) as the Council Tax base for the year 2016/17 [item T in the formula in Section 31B (1) of the Local Government Finance Act 1992, as amended (the "Act")];**
- 1.6 Recommend to Council for approval, the following amounts calculated for the year 2016/17 in accordance with Sections 31(A) and (B), 34, 35 and 36 of the Act:**
 - a) £956,469,590 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;**
 - b) £804,761,913 being the aggregate of the amounts which the council estimated for the items set out in Section 31A(3) (a) to (d) of the Act;**
 - c) £151,707,677 being the amount by which the aggregate at 1.6(a) above**

exceeds the aggregate at 1.6(b) above, calculated by the council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula section 31A(4) of the Act);

- d) £1,121.07 being the amount at 1.6(c) above (item R), divided by Item T (Item 1.5 above), calculated by the council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year;

London Borough of Barnet Valuation Bands (£)

A	B	C	D	E	F	G	H
747.38	871.94	996.51	1121.07	1370.20	1619.32	1868.45	2242.14

Being the amounts given by multiplying the amounts at 1.6(d) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listen in valuation band D, calculated by the council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- 1.7 Recommend to Council, on the advice of the Chief Finance Officer, that it determines that the council's basic amount of Council Tax for 2016/17 as set out in 1.6(d) above is not excessive in accordance with the principles approved under section 52ZB and 52ZC of the Local Government Finance Act 1992, set out in the Referendums relating to draft Council Tax increases (Principles) Report (England) 2016/17 subject to any changes to that Report which at the time of publication of this report was still in draft;

- 1.8 Note that for the year 2016/17 the Greater London Authority has provisionally indicated that the following amounts in precepts will be issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Greater London Authority Valuation Bands (£)

A	B	C	D	E	F	G	H
184.00	214.67	245.33	276.00	337.33	398.67	460.00	552.00

- 1.9 Recommend that having calculated the aggregate in each case of the amounts at 1.6(d) with the amounts at 1.8, the council, in accordance with Section 30(2) of the Local Government Finance Act 1992, sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories dwellings shown below:

Council Tax for Area (£)

A	B	C	D	E	F	G	H
931.38	1086.61	1241.84	1397.07	1707.53	2017.99	2328.45	2794.14

- 1.10 Recommend to Council for approval the Barnet Council Tax Support Scheme, adopted in January 2015, remain unchanged except for uprating in line with Department for Work and Pension changes for housing benefit.

- 1.11 Notes that the working age non-dependent (ND) charges be uprated as set out in paragraph 1.6.14

- 1.12** Recommend to Council that in accordance with Section 38(2) of the Act the Chief Executive be instructed to place a notice in the local press of the amounts set under recommendation 1.9 above within a period of 21 days following the Council's decision;
- 1.13** Recommend to Council for approval the capital programme as set out in Appendix 4 and 5, and that the Chief Officers be authorised to take all necessary actions for implementation;
- 1.14** Recommend to Council that the Chief Finance Officer be authorised to adjust capital project budgets and financing in 2016/17 throughout the capital programme after the 2015/16 accounts are closed and the amount of slippage and budget carry forward required are known.
- 1.15** Recommend to Council the approval of the Treasury Management Strategy for 2016/17 as set out in Appendix 6;
- 1.16** Approve the following in relation to the Housing Revenue Account:
- a) The proposed rent decrease by 1% for council dwelling as set out in paragraph 1.9.3 to take effect from 1 April 2016;
 - b) The proposed increase to service charges for council dwelling as set out in paragraph 1.9.9 to take effect from 1 April 2016;
 - c) The proposed rent increase of 2% for council garages as set out in paragraph 1.9.9 to take effect from 1 April 2016,
- 1.17** Approve the Housing Revenue Account estimates for 2016/17 as set out in Appendix 7;
- 1.18** Note the submission of the Authority Proforma Tool in relation to the Dedicated Schools Budget as set out in Appendix 10;
- 1.19** Approve the Assurance fees and charges whilst noting the Adults, Children's and Environment fees and charges that were approved at their relevant Theme Committee as detailed in Appendix 12;
- 1.20** Note the summary equality impact assessment (EIA) and cumulative assessment provides the cumulative impact and individual Delivery Unit assessments where significant changes to service delivery are proposed. As EIAs and cumulative EIA are assessed to take account of responses to the budget consultation will be reported to Council of 1 March 2016 to inform the final decision on next year's budget;
- 1.21** Recommend to Council approval of the reserves and balances policy as set out in Appendix 8 and indicative amounts as set out in para 1.11 and the Chief Finance Officer's assessment of adequacy of reserves in section 1.11. The Committee recommend to Council that CFO authorised to adjust balances in 2016/17 after 2015/16 accounts are closed and the amount of balances carry forward required are known;
- 1.22** Approve budget movements as set out in para 1.12;

- | | |
|-------------|---|
| 1.23 | Approve the transformation programme and additional funding as set out in para 1.13; |
| 1.24 | Note the corporate risk register and recommend it to Council as set out in Appendix 9. |

1. WHY THIS REPORT IS NEEDED

1.1 Executive Summary

- 1.1.1 On 17 December 2015, Department for Communities and Local Government (CLG) published the provisional local government finance settlement which set the individual authority grant allocations. There are changes to the way the Revenue Support Grant (RSG) has been calculated including factoring in the level of council tax each borough can raise. This change means that grant allocations have been increased for boroughs with lower council tax base and doesn't take population or the increase in deprivation in outer London boroughs into consideration. Where Barnet has a large council tax base, it also has the largest population in London, and this isn't taken into account. The change in RSG calculation was not well communicated, impacts negatively on Barnet and does not take into account historic underfunding of outer London boroughs or the demographic changes in London over the last decade.
- 1.1.2 Barnet has had 32% cut to grant in 2016/17 which is £5.5m worse than the projection we would have had without the changes to the RSG. In order to mitigate the impact of this on the savings target, collection fund surplus income (£2m), increased income from New Homes Bonus (£2m) and reduction in contingency (£1.5m) has been used.
- 1.1.3 The council's budget gap, therefore, remains consistent with the overall position presented to Policy and Resources Committee in December 2015. The budget gap for the period 2016-20 is estimated to be £81.1m.
- 1.1.4 Social care precept is new for 2016/17 and allows councils to raise money through council tax to be spent exclusively on adult social care. There are demographic pressures and pressures from increased referrals from the NHS in Adults social care. If the social care precept was applied, the income, along with more funding from the Better Care Fund, would be used to mitigate the impact of this.
- 1.1.5 This report sets out the savings proposals developed by Theme Committees, in line with commissioning priorities, to close this budget gap. It also sets out interim consultation responses, equality impact assessments and capital investment proposals required to ensure Barnet is able to support the growth needed.

1.2 Strategic context

1.2.1 The past five years have been a period of significant challenges for the council, but ones we have risen to, having successfully saved £75 million while limiting the impact on front line services and maintaining resident satisfaction. The latest Residents' Perception Survey indicates that 88 per cent of residents are satisfied with Barnet as a place to live and nearly 80 per cent feeling that the council is doing a good job. With financial pressure on the council set to continue, the next 5 years will continue to present challenges but, crucially, there will be some significant opportunities.

The Government's 2015 Spending Review – continued reductions to the Local Government core grant

1.2.2 On 25 November, the Chancellor announced the Spending Review and Autumn Statement, which reiterated the Government's commitment to eliminate the budget deficit – achieving a £10 billion surplus by 2019/20 – and reduce national debt.

1.2.3 Local Government, along with budgets such as transport, skills, and universities, remain unprotected, meaning that reductions are even more pronounced. The Chancellor announced £4.1bn cuts to Local Government core funding – comprising business rates and the Revenue Support Grant – by 2020. London Councils estimate that this represents a 30 per cent reduction in real terms when changes in funding for the New Homes Bonus and Better Care Fund are factored in.

Continued restrictions to increasing Council Tax

1.2.4 The existing 2% limit imposed on increases to general Council Tax, before triggering a local referendum, remains in place. This reduces the flexibility for councils to use Council Tax as a means of reducing the gap.

The ability for councils to introduce a 2% per year adult social care precept from 2016/17 to fund care for the elderly

1.2.5 Recognising the pressure of social care budgets, the Spending Review did provide councils with a new power to introduce a 'social care precept' of 2% per year to help fund care for the elderly. The precept is additional to the 2% limit for general Council Tax increases, meaning that councils are now able to increase Council Tax by up to 4% a year, although half would need to be spent exclusively on adult social care. The social precept is discussed further in para 1.6.3.

Changes to the retention of business rates

1.2.6 The Spending Review also announced changes to business rates retention that would see Local Government retain 100% of business rates collected by 2020. The details of how this will be baselined and how the system will work have not been outlined, so it difficult to determine the potential impact on Barnet at this stage. Although greater flexibility in relation to business rates is welcome, as a lever to stimulate local business growth, the devil will be in the detail. It is not yet clear whether there will be a cap on retained business rates or whether a degree of redistribution across Local Authority areas will occur.

1.2.7 It is also likely that the Government will place additional responsibilities on councils in return for allowing a greater level of business rates. One of the additional responsibilities we are aware of at this stage is Housing Benefit for pensioners.

Housing

1.2.8 The Chancellor also set out the Government's intention for social housing rent to be capped at the relevant Local Housing Allowance rate. Current estimates quantify the impact of the Housing Benefit changes in Barnet to be minimal. However, detailed modelling will be undertaken as further details emerge.

1.2.9 In addition, the Government will consult on reforms to the New Homes Bonus, including reducing the length of payments from 6 years to 4 years and a preferred option to reduce the overall total by £800m (roughly 50%). Details will be set out in the local government finance settlement consultation, which will include proposals to introduce a floor to ensure that no authority loses out disproportionately.

Barnet's strategy – Capital investment in infrastructure to ensure that Barnet remains a place where people want to live and work

1.2.10 The Spending Review makes clear that, for Local Government, there will continue to be significant pressure on resources, which will mean that Barnet, like all councils will have to reduce its day to day spending. However, as we focus on reducing the council's running costs, we must continue to use capital resources effectively to invest in the borough's essential infrastructure including housing, transport, school places, leisure centres and community facilities.

1.2.11 The council's regeneration programme will see £6bn of private sector investment over the next 25 years, which will create around 20,000 new homes and up to 30,000 new jobs. It will also generate £11m of additional recurrent income for the council by 2020, with one-off income of £50m to be reinvested in infrastructure.

1.2.12 The Treasury has made financial commitments to support our regeneration plans at Grahame Park and Brent Cross Cricklewood, including £97 million to fund a new Thameslink station. The council intends to hold a stake in these regeneration plans, for example as part of the joint venture developing Brent Cross. This will help the sustainability of the council's finances not just through to 2020, but beyond.

1.2.13 The council, via Barnet Homes, is also investing in an additional 50 Extra Care Housing units by 2017/18, and is considering plans to provide 100 specialist homes linked to health and care support and community facilities by 2020 including 50 for sale. The council will continue to invest in this way, to reduce the ongoing cost of social care.

1.2.14 The council will further invest in school places, building on the £116m invested over the past 5 years. Investment in school expansion, both in terms of funding and provision of land, has contributed to the creation of over 7,500 new school places over the last six years.

1.2.15 The council is also investing in new community centres at Grahame Park, Colindale and Stonegrove Spur Road, as well as two new leisure centres located in New Barnet and Cophall. These facilities will help to ensure that Barnet's growing population can stay healthy and build strong community cohesion.

Barnet's strategy – Maximising the revenues we generate locally through growth and investment

Housing and regeneration

1.2.16 Growth is an essential part of the council's strategy, as we become less reliant on Government funding and which requires us to generate more of our income locally. Residents from Barnet will continue to share in the benefits of growth, with increasing housing development leading to an increase in the tax base and, subsequently, helping the council to bear down on Council Tax bills. As well as the significant financial benefits outlined, housing development is also a necessity as the population of Barnet, already the highest in London, continues to grow, driven by a high birth rate, high immigration and low out-migration, and people living longer.

Employment and skills

1.2.17 Most residents will benefit from the opportunities that a growing national and local economy will bring, but some will require targeted support – such as help to get a job – so they do not miss out. Barnet's Welfare Reform Task Force and Burnt Oak Opportunity Support Team (BOOST) are examples of initiatives that have already demonstrated significant benefits for residents, by providing a 'one stop shop' approach which brings together multi agencies under one roof. The results have been impressive, with the Task Force having engaged with 96 per cent of Barnet residents affected by the Benefit Cap and helping 35 per cent into work. Since its launch in June 2015, 200 residents have signed up to work with the BOOST team in Burnt Oak, with over 100 helped into employment and, crucially, achieving high retention rates. In total, over 830 people have been helped to get a job through council-led employment initiatives.

1.2.18 Not only does the model of co-located, multi-agency teams provide a better service for residents, it also generates efficiencies across the public sector with analysis showing an economic benefit of £3 for every £1 invested in the Task Force. The model of co-located teams is something that the council will look to roll out for other services in locations across the borough.

Barnet's strategy – Transforming the way we design and deliver services

1.2.19 For every service, the council will consider the case for different ways to deliver our priority outcomes. For example, in adult social care, a greater number of elderly residents will be provided with social care support within their own homes, which will allow individuals to access support services and technologies that are right for them. This will save money by reducing demand for high cost residential accommodation.

1.2.20 In children's social care, proposals to increase the size and effectiveness of the in-house foster care service are designed to save money by helping a greater number of children and young people to move from residential to foster care placements. Intervening earlier will prevent placements from

breaking down, increasing the likelihood that children will remain in stable placements for longer.

1.2.21 Environmental services will be transformed through the use of new technology to improve the efficiency of street cleansing services and make it easier for residents to report problems. At the same time, increased monitoring and enforcement of littering, fly tipping and other offences, particularly in town centres, will help to reduce the need for street cleansing services.

Barnet's strategy – Promoting community participation and resilience

1.2.22 To ensure Barnet continues to thrive, and building on local community spirit, the council will work to build stronger relationships with residents and communities. The aim is to ensure that residents and community groups become more independent and resilient and less reliant on public services.

1.2.23 If we succeed, residents and community groups will be able to deliver more, and take on more responsibility for their local areas in places where there is clear potential for community groups to support and complement the council's role. Engaging users in the design and delivery of services will also help to ensure they are better matched to local need and ultimately more successful.

1.2.24 The council has developed a wider ranging Community Participation Strategy in order to achieve its ambitions to support resilient communities where residents participate more in local activities. The strategy covers multiple work streams, including:

- **Community Assets Strategy** – setting out how we will use over 140 of our community buildings to achieve outcomes and lever support from residents and the voluntary and community sector;
- **Developing a comprehensive VCS database** – of 1,400 local voluntary and community sector organisations, so residents can find local support and reduce demand on statutory services; and
- **A resident volunteering brokering service** – to put more residents who want to volunteer – in areas such as parks and adult social care in contact with local volunteering opportunities.

Barnet's strategy – Managing demand for services

1.2.25 Pressure on the council's budget is not only a consequence of declining funding from Government – increasingly it is driven by rising demand for services due to changing demographics.

1.2.26 Between 2010 and 2015, the council successfully met a 25% budget gap largely through efficiency savings and delivering services differently. This helped to limit the impact on frontline services, which might help explain high levels of resident satisfaction. Moving forward, although the council will continue to focus on becoming more efficient, it will be increasingly difficult to manage a further 25% budget gap through supply side reforms alone.

1.2.27 As a consequence, the focus of the council's savings plans for 2015 to 2020 place a greater emphasis on ways to reduce demand on services - through the community doing more; intervening earlier to treat the cause, not the problem – including tackling the 'Toxic Trio' of domestic violence, drug and alcohol abuse and mental ill health, which are the most prevalent causes of

poor outcomes for Barnet families – and influencing residents to change their behaviour, for example by recycling more.

1.3 Refreshing the council's Corporate Plan performance indicators for 2016/17

1.3.1 In April 2015, Full Council approved a five-year Corporate Plan covering the period 2015 to 2020. Each year, the council will publish an addendum to the five-year plan that sets out revised performance indicators for the year ahead. It will also set out the key activities planned for the year ahead, set against the council's priorities of growth, transformation, demand management and community resilience.

1.3.3 Performance indicators – which are used to track progress – have been refreshed and will be presented to theme committees through March 2016 before coming back to Council at the next meeting.

1.4 Medium Term Financial Strategy

1.4.1 Appendix 1 sets out the Medium Term Financial Strategy from 2016/17 to 2019/20, taking into account national economic factors such as assumed government funding cuts and inflation, along with local factors such as housing trajectory and population and demand pressures on services. The headline figure is a budget gap of £81.1m for 2016-20.

1.4.2 The assumptions within the budget envelope are as follows:

- **Demographic Pressures:** an assumption has been made in the budget envelope for future demographic pressures specifically for Adults and Children's Social Care costs. This is based on latest demographic projections from the GLA and specific data from Protecting Older People Population Information System (POPPI) and Projecting Adults Needs and Service Information (PANSI). An assumption has also been included for increase in costs relating to complexity of cases in SEN and LD;
- **Inflation (pay):** the Local Government pay award has been confirmed as 1% increase for the next 4 years;
- **Inflation (non-pay):** figures of 2% for inflation have been used to estimate the increase in non-pay costs;
- **North London Waste Authority (NLWA) levy:** figures for the NLWA levy are based on the latest information from the NLWA;
- **Capital financing costs:** no further provision has been added since the budget was agreed in March by full Council as the current budget provision is considered to be sufficient based on current capital needs. This may be revised after the capital needs analysis exercise has been completed;
- **Contingency:** A provision has been added from 17/18 to cover general risks;
- **Homelessness:** £500k in a specific contingency in 2016/17 to deal with the pressures in supply and demand side costs in relation to temporary accommodation;
- **Concessionary fares:** increases have been projected in line with demographic changes of the 60+ population in Barnet;
- **Business rates:** The council, along with other London boroughs, have noticed a decrease in business rates due to an increase in successful

appeals against rateable values; therefore a decrease in the baseline has been factored in to reflect this;

- **Revenue Support Grant (RSG):** the assumption for reduction in RSG prudently reflects the Government's aspiration to have a budget surplus by 2019/20;
- **Public Health Grant:** it has been confirmed that the ring-fence on public health spending will be maintained in 2016/17 and 2017/18 with a 3.9% average saving per annum over the next 5 years. To be prudent, a reduction of 5% has been modelled in the MTFS. It has been confirmed that funding of public health expenditure is one of the responsibilities local government will have to take on as a result of further localisation of business rates, however it is not clear which year this will be implemented from and further consultation is expected. For now, the MTFS assumes this will be implemented after the current parliament ends;
- **Education Services Grant:** the Autumn Statement 2015 announced a £600m reduction in this budget. We have assumed a 10% year on year reduction in this grant into the MTFS;
- **Council Tax:** the proposal subject to consultation and the Equalities Impact Assessment is that there is no increase in general council tax for 2016/17, with an increase of 2% per annum beyond that.
- **Social care precept:** the proposal subject to consultation and the Equalities Impact Assessment is that the precept is applied at 1.7% for 2016/17.

1.4.3 There are a number of known pressures that we can confidently quantify and include in the MTFS, as presented above; these include inflationary pressures on pay and contracts, demographic increases and the impact on service provision and concessionary fares. However, there are other risks and pressures that haven't materialised yet and therefore inclusion of the pressure at this stage in the MTFS would further increase the savings target. These include:

- The impact of the social care market, specifically care homes and home care, not being viable and the impact on the local authority being able to discharge of its statutory and safeguarding responsibilities;
- North London Waste Authority's (NLWA) proposed procurement of a new waste disposal facility, or upgrade of the current facility, will adversely impact the budget position for the council. Alternative delivery models for waste disposal, including the potential for the borough to exit the NLWA and procure its own contract for waste disposal;
- The costs of disposal of residual waste is more expensive compared to recycling and therefore if recycling rates continue to plateau or decline and / or the savings identified are not realised, it may become necessary to go to alternate weekly collection;
- Family services have seen increased referrals and assessments and increased demand for special guardianship orders and resident's orders. If these increases continue to rise, this could lead to a significant pressure in the Family Services budget.
- The proposal to reduce New Homes Bonus (NHB) payments from 6 to 4 years in the Chancellor's budget on 25 November 2015 poses a potential risk of funding the infrastructure projects in our capital programme. A reduction in NHB payments could lead to an increase in our borrowing,

which would have an adverse impact on revenue by way of interest and associated borrowing costs.

1.5 Savings proposals

1.5.1 The proposed budget for 2016/17 reflects a budget gap of £15.582m, with savings proposals to reach a balanced position. These savings are set out in detail in Appendices 2 and 3.

	2016/17 £000
Budget Gap before savings and pressures	15,582
Identified Pressures	3,972
Proposed Savings	(19,554)
Budget Gap after savings	0

1.5.2 The 2016/17 savings targets by Theme Committee are as below. These are set out in detail at **Appendix 3**.

Theme Committee	2016-17 £000
Adults & Safeguarding	(3,383)
Assets, Regeneration & Growth	(2,253)
Children, Education, Libraries & Safeguarding	(2,071)
Community Leadership	(9)
Environment	(4,021)
Health and Wellbeing Board	
Policy & Resources	(7,817)
Total	(19,554)

1.5.3 The combined savings targets from 2016 through to 2020 are set out below:

Theme Committee	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
Adults & Safeguarding	(3,383)	(5,412)	(5,161)	(4,497)	(18,453)
Assets, Regeneration & Growth	(2,253)	(6,362)	(5,132)	(48)	(13,795)
Children, Education, Libraries & Safeguarding	(2,071)	(4,062)	(2,596)	(5,818)	(14,547)
Community Leadership	(9)	0	0	(243)	(252)
Environment	(4,021)	(2,315)	(2,165)	(2,080)	(10,581)
Health and Wellbeing Board					£0

Policy & Resources	(7,817)	(3,720)	(4,389)	(2,544)	(18,470)
Policy & Resources Reserves				(5,000)	(5,000)
Total	(19,554)	(21,871)	(19,443)	(20,230)	(81,098)

Adults and Safeguarding

1.5.4 Adults and Safeguarding Committee has a total savings target of £18.5m. The main proposals contributing to this gap are:

- Improving information, advice and support offer so that individuals and their families take greater responsibility for their own and their family member's care and support;
- Develop alternative housing and support options to reduce the need for higher cost placements;
- To utilise new technologies to enable people to continue to live safely in their own homes;
- Increase the proportion of working age adults known to adults social care into employment;
- To integrate health and social care services to improve the experience of receiving care and support and reduce duplication;
- Increase the productivity of the adult social workforce to be able to meet the needs of a growing population within available resources.

Assets, Regeneration and Growth

1.5.5 Assets, Regeneration and Growth Committee has a total savings target of £13.8m. This is mainly achieved through:

- Efficiency savings in the civic and community asset estate by implementing the Office Accommodation Strategy and Community Asset Strategy;
- Additional income council tax and business rates from increasing the base through regeneration and development opportunities.

Children's, Education, Libraries and Safeguarding

1.5.6 Children's, Education, Libraries and Safeguarding Committee has a total savings target of £14.5m. The main savings proposals are made of:

- Reshape early intervention and prevention services to provide effective, targeted interventions which reduce the need for higher cost interventions;
- Developing new models of social work practice and intervention which reduce the need for higher cost placements and the number of adolescents in residential care;
- To utilise new technology and community capacity to create a sustainable library offer for Barnet;
- To integrate health, care and education services to improve the experience of receiving care and support for disabled children and their families and reduce duplication;
- Increase the productivity of the children's service to be able to meet the needs of a growing population within available resources

Community Leadership

1.5.7 Community Leadership Committee has a total savings target of £0.3m. The main savings proposal is made of:

- Reducing expenditure associated with CCTV once the capital contribution towards investment has been paid off.

Environment

1.5.8 Environment Committee has a total savings target of £10.6m. The savings proposals are made of:

- Delivering a sustainable waste and recycling service which increases recycling rates, minimises the tonnage collected and sustains resident satisfaction;
- Securing greater value from Barnet's extensive green and open spaces and parks service through increased income and greater utilisation levels;
- Better utilising the council's regulatory powers to keep Barnet clean, green and safe;
- Increasing the efficiency and productivity of commissioned services.

Policy and Resources

1.5.9 Policy and Resources Committee has a total savings target of £18.4m. The savings proposals comprise of:

- Increasing the efficiency and productivity of commissioned services;
- Reducing costs associated with workforce and exploring option of shared service;
- Achieving efficiency through reduction in the costs associated with borrowing;
- Increasing revenue income through review of council tax support payments (already implemented).

1.5.10 The 'ring fenced' budgets are listed below:

Better Care Fund (BCF)

1.5.11 Government has confirmed that the BCF will continue and increase (nationally by £1.5 billion) in 2016/17. The 2015/16 Barnet BCF allocation is £23.4m and is used to fund health services, social care services, major adaptations through the Disabled Facilities Grant and make investments into the development of integrated services.

1.5.12 Prior to the BCF, the council received section 256 monies for the funding of social care services which benefited health with a value of £6.6m. The section 256 monies were consolidated into the BCF in 2015/16. Adults Social Care services currently receives £4.2m of funding through the BCF for the protection of social care with the balance of the £6.6m being spent on health and social care integration projects.

1.5.13 The monies within Barnet's BCF form a pooled budget under section 75 of the NHS Act 2006 overseen by the Barnet Health and Wellbeing Board. The section 75 agreement allows for resources to be easily transferred between health and social care in order to meet the objectives of the pooled fund.

- 1.5.14 The success of the BCF and therefore the pooled budget is measured through the achievement of a reduction in emergency hospital admissions and initiatives with the BCF are targeting resources on preventing admissions to hospital through 7 day social work service, rapid response services and enablement.
- 1.5.15 Given the additional demand pressures that adult social care is facing as a result of more people receiving care outside of hospital (there has been an average increase of 22% per year in referrals to hospital social work teams since 2012) and reduced winter pressures funding (88% reduction from funding levels in 2012), the council has engaged with the CCG to ensure that £6.6m of the BCF will be available for the protection of adult social care services referred to in para 1.5.11. The additional funding will be used to address the underlying deficit of adult social care referred to in paras 1.6.3 and 1.6.4.
- 1.5.16 Council officers engaged with Barnet CCG on the options for 2016/17 to achieve an additional £2.4m for the protection of adult social care through the BCF. This discussion is progressing well and has achieved officer agreement and a draft version of this will be submitted to the CCG's finance board for sign off ahead of April 2016.

Dedicated Schools Budget (DSG)

- 1.5.17 Details of the way in which the Schools' Budget has been put together is shown in Appendix 10, which also includes a table showing a summary breakdown of the Schools' Budget.
- 1.5.18 The council is required to submit to the Department for Education (DfE) annually a completed Authority Proforma Tool (the APT) which shows all the detailed assumptions underpinning the proposals for allocating budgets to schools and early years' providers in the following year. This is included in the appendix.
- 1.5.19 The key factors are as follows:
- The government's minimum funding guarantee for schools remains the same as in 2015/16 (-1.5%). This means that the maximum reduction in per pupil funding for any school is 1.5%.
 - In the autumn all schools and academies were consulted on options to change the School Funding Formula that would involve no or little extra cost to the budget. The option supported by most respondents and the Schools Forum, and subsequently agreed by CELS, increases the age weighted pupil unit (AWPU) by £10 per annum and also changes the amount capped schools can gain. Schools would keep 15% of all gains per pupil in the funding formula.
 - The government released new Index of Multiple Deprivation figures in December, which showed the IDACI (Income Deprivation Affecting Children Index) figures were lower for all Barnet schools (and in London generally) than in the previous year. This does not affect the DSG funding to the LA, as that does not relate to IDACI, but it does affect the distribution of funding to schools in Barnet because IDACI figures are a factor in our local school funding formula. Without a change in the formula, the amount distributed for deprivation factors would fall

significantly, because many Barnet postcodes fell into IDACI bands we did not fund. To avoid a significant reduction in the amount distributed according to deprivation measures, the formula has been changed so that funding distributed in relation to IDACI bands is now based on bands 3 to 5 rather than 4 to 6. For similar reasons Free School Meal eligibility in primary schools appears to have fallen, possibly due to the introduction of universal infant free school meals. The IDACI and FSM funding rates have also been increased to ensure the same amount of funding is distributed via deprivation factors as in 2015/16 and thus avoid significant reductions in funding for individual schools. As there would still be big losses among schools which gain, the cap was also raised to 20% without reducing the overall funding envelope.

- All academies and free schools are now treated equally in that their pupils are used to determine the Schools Block of the DSG, and the local authority calculates and submits their funding on the authority proforma tool (APT) so the money can be recouped from the DSG.
- Local authorities are responsible for pupil growth at all schools, except in the first year of opening a new free school. £3.6m has been included in the budget for the growth fund to pay for new year groups opening in academies and free schools as well as expansions at maintained schools.
- The same early years funding formula and rates as 2015/16 will be applied in 2016/17.

1.5.20 The funding rates proposed for the 2016/17 financial year are thus as follows:

	Primary Rate £	Secondary Rate £
Age Weighted Pupil Unit	3,325.75	4,772.86
Free School Meals (Ever 6)	1,423.56	505.00
Lump sum per school	122,000.00	122,000.00
Deprivation: IDACI 4	350.00	1,045.00
Deprivation: IDACI 5	2,100.00	5,225.00
Deprivation: IDACI 6	4,200.00	10,450.00
English as Additional Language 2	530.00	1,378.00
Mobility	422.90	618.53

Housing

1.5.21 Housing Committee has savings that deliver benefits to the Housing Revenue Account (HRA) business plan. These total £2.6m and comprise of the proposals below:

- Reduction in management and repairs costs due to forecast stock losses through estate regeneration and Right to Buy sales;
- Enhancing the value of contract arrangements, reduced accommodation costs and new ways of effective use of IT;

- Stopping 'non-essential' works and re-prioritisation of certain types of non-urgent repairs.

Public Health

1.5.22 Public Health funding has sustained an in-year cut of 6.2% (£1.048m) in 2015/16 as a contribution towards the national deficit. The Spending Review and Autumn Statement 2015 has confirmed that the ring-fence on public health spending will continue in 2016/17 and 2017/18, however funding is expected to reduce by an average of 3.9% per annum over the next 5 years. As part of the additional responsibilities that local government will need to take on as a result of further localisation of business rates – funding of public health expenditure has been confirmed. However, it is not clear which year this will be implemented from and a government consultation is expected. Therefore for now, the MTFS assumes this will be implemented after the current parliament ends.

1.5.23 In anticipation of a funding reduction the Public Health budgets have been modelled on a prudent 5% reduction. The programme of procurement in 2016/17 and beyond will in the main be a collaborative approach to the commissioning of sexual health services across London and is assumed to deliver efficiencies and contain growth, from April 2018. The proposals follow the strategic direction established for Public Health spend in 2014/15 with budget allocated to ensure delivery of priority outcomes. Decreases in spend in core Public Health service areas have been achieved via efficiencies and contract re-procurement.

1.5.24 Spend on the wider determinants of health, notably in Early Years, is increased. As a result, investment of £200k per annum (until March 2018) into Adult Social Care Prevention and £250k per annum (until March 2019) for CAMHS has been assumed. These investments will mitigate the impact of savings that will be delivered.

1.5.25 Commissioning intentions and the budget for 2016/17 are due to be presented to Health and Wellbeing Board at its meeting in March 2016.

1.6 Council Tax

1.6.1 As part of the Localism Act the Government has introduced new arrangements for Council Tax setting. These include provisions for a referendum on excessive Council Tax increases. The Government has indicated that the level that it considers excessive for general council tax is 2%. In effect this means that general Council Tax increases are capped at 2% for 2016/17.

1.6.2 The detailed council tax base schedule is included in Appendix 2. Under delegated powers, the Chief Finance Officer has determined the 2016/17 tax base to be 135,324 (Band D equivalents) – the calculations are set out below:

Council Taxbase	2015/2016	2016/2017
	Band D Equivalents	Band D Equivalents
Total properties (per Valuation List)	166,725	168,206
Exemptions	(2,648)	(2,454)
Disabled reductions	(115)	(112)
Discounts (10%, 25% & 50%)	(31,571)	(28,938)
Adjustments	1,677	605
Aggregate Relevant Amounts	134,068	137,307
Non-Collection (1.5% both years)	(1,998)	(2,060)
Contributions in lieu from MoD	81	77
	132,151	135,324

Adult Social Care Precept

- 1.6.3 The Chancellor's budget announcement on 25 November 2015 allowed the flexibility of applying a precept of up to 2% annually from 2016/17 in order to mitigate the impact of the pressures on care for the elderly. The current underlying pressure in Adult social care is estimated to be at least £5.4m for 2016/17, which includes risks around increasing demand, new statutory requirements and increased referrals from the NHS.
- 1.6.4 Applying the new precept at the maximum amount for 2016/17 will allow for £3m of the pressure to be funded from this, with the remainder of the pressure being funded from further allocation of Better Care Fund and Winter Pressures money through negotiations with the CCG as detailed in para1.5.11. The precept would result in annual increases in Council Tax for householders ranging from £12.67 (£0.24 per week) for Band A to £38.01 (£0.73 per week) for Band H.
- 1.6.5 The Localism Act requires Council approval of the Council Tax requirement (including settlement funding assessment) in place of budget requirement (excluding settlement funding assessment).
- 1.6.6 If the Social Care Precept is applied, the council tax for Barnet will be as per the table below:

BUDGET	2015/2016 Original	2015/2016 Current	2016/2017 Original
	£	£	£
Total Service Expenditure	276,465,365	277,965,365	271,782,521
Contribution to / (from) Specific Reserves	6,461,288	6,461,288	10,735,156
NET EXPENDITURE	282,926,653	284,426,653	282,517,677
Other Grants	(32,038,000)	(33,538,000)	(38,829,000)
BUDGET REQUIREMENT	250,888,653	250,888,653	243,688,677
Business Rates Retention	(35,191,000)	(35,191,000)	(35,484,000)
Business rates top-up	(18,114,000)	(18,114,000)	(18,265,000)
BUSINESS RATES INCOME	(53,305,000)	(53,305,000)	(53,749,000)
RSG	(50,444,000)	(50,444,000)	(36,849,000)
Collection Fund Adjustments	(1,500,000)	(1,500,000)	(3,636,000)
Additional income from Council Tax			2,253,000
BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT	145,639,653	145,639,653	151,707,677
Council Tax Base			
BASIC AMOUNT OF TAX	1,102.07	1,102.07	1,121.07
GLA TAX	295.00	295.00	276.00
TOTAL COUNCIL TAX (BAND D EQUIVALENT)	1,397.07	1,397.07	1,397.07

1.6.7 The provisional GLA precept is £37,349,424 making the total estimated demand on the collection fund and Council Tax requirement £189,057,101.

London Borough of Barnet	£149,136,521
Social Care Precept	£2,571,156
Barnet's Council Tax Requirement	£151,707,677
Greater London Authority	£37,349,424
Total Requirement for Council Tax	£189,057,101

1.6.8 The levels of council tax for each category of dwelling will be:

Council Tax Band	Barnet	GLA	Aggregate
A	747.38	184.00	931.38
B	871.94	214.67	1,086.61
C	996.51	245.33	1,241.84
D	1,121.07	276.00	1,397.07
E	1,370.20	337.33	1,707.53
F	1,619.32	398.67	2,017.99
G	1,868.45	460.00	2,328.45
H	2,242.14	552.00	2,794.14

1.6.9 Individual Council Tax bills will reflect occupancy status with discounts for low occupancy (one or no adults) and exemptions for specific circumstances. In addition, some residents will be eligible for Council Tax support.

Council Tax Support Scheme

1.6.10 On 13 January 2015, following a consultation, The Council, adopted a revised Local Council Tax Reduction Scheme called Council Tax Support. The scheme had the following features:

- Contribution of 20% for working age claimants unless in a protected group;
- Continued protection from the impact of the minimum contribution for war pensioners;
- War pension income disregarded from both the working age scheme and the pension credit age scheme;

1.6.11 The working age Non-dependant (ND) charges be updated as follows:

Description	Deduction
Gross income greater than or equal to £195.00 per week from any source unless the non-dependant is receiving an income in category 3)	£11.45 per week
Gross income less than or equal to £194.99 per week unless the non-dependant is receiving an income in category 3)	£5.00 per week
In receipt of Income Support, Income based Jobseekers Allowance, Income related Employment and Support Allowance, State Pension Credit or Universal Credit where the award is calculated on the basis that the recipient has no earned income	Nil

1.7 Capital Investment Programme

1.7.1 Investing in the future is a key strand of the council's response to the scale of the challenge facing Local Government from funding reductions and increasing demand. Barnet will not be able to support the growth needed to ensure the council's financial independence without investment for the future. The capital programme doesn't only support the growth agenda but also includes a number of additions that enable the achievement of the revenue savings proposals.

1.7.2 The current capital programme totals £761m up to 2020, funded from a combination of capital receipts, borrowing, revenue and external grant contributions. The MTFs includes provision for future capital expenditure on council priorities through to 2020.

1.7.3 A summary of the capital programme by Theme Committee is as below. The detail is set out in Appendix 4.

Theme Committee	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
Adults & Safeguarding	4,450	5,886	15,914			26,250
Assets, Regeneration & Growth	42,124	55,747	50,180	22,380	5,700	176,131
Children, Education, Libraries & Safeguarding	47,550	68,853	31,262	43,462	31,875	223,002
Community Leadership		208				208
Environment	24,599	31,331	11,697	10,871	9,230	87,728
Housing	5,993	6,249	4,334	3,868	3,867	24,311
Policy & Resources	29,751	22,531	3,249	1,000	1,000	57,531
Housing Revenue Account	41,070	48,097	36,984	22,487	17,132	165,770
Total	195,537	238,902	153,620	104,068	68,804	760,931

1.7.4 There are a number of capital additions at different stages of development and approval, which may have a significant up front borrowing requirement. The costs of these are still being worked up and therefore at this stage these have not been added to the capital programme from 2016/17 but these are estimated to be:

- Brent Cross Thameslink station: estimated to be in the region of £215m; and will enable the regeneration of Brent Cross south side. £97m of this will be funded by central government grant (re-confirmed at Spending Review and Autumn Statement 2015) and ring-fenced increased business rates generated in the area (Barnet and GLA share);
- Development Pipeline Tranche 1: estimated to be in the region of £85m (2016-20); this mixed tenure development will generate capital receipts in excess of the investment which will enable us to continue investing in other projects across the borough;
- Development Pipeline Tranche 3: estimated to be in the region of £60m (2016-20); this affordable housing for rent development is intended to pay back the investment within 30 years and provide much needed social rents in the borough.

1.7.5 In the period up to 2020, there are a number of non-HRA projects and programmes including office building at Colindale, Thameslink station, secondary school builds and investment in roads and pavements that require significant capital funding. The Treasury Management team has undertaken work to review the current strategy with specific regard to the borrowing strategy and reviewing capital financing requirement, cash balances, other capital proceeds, cashflow and phasing of new borrowing requirements. This forms part of the Treasury Management Strategy, in order to utilise cash

balances as much as possible and reduce the need to take out new external borrowing.

1.8 Treasury Management Strategy

1.8.1 The Treasury Management Strategy is included in Appendix 6. The main recommended revisions to the Treasury Management Strategy are:

- Further diversification of financial instruments into more secure /higher yield asset classes in consultation with the Council's investment advisor
- Increasing limit of investments over one year/non specified investments to a maximum of £150 million

1.8.2 There is also the proposal to lend up to £65 million to Barnet Homes Open Door but this will be treated as a policy decision rather than as part of the TMS i.e. it is a one off decision.

1.9 Housing Revenue Account

1.9.1 The Local Government and Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account. Any surpluses generated from the HRA can be used to support the account when it fails to break even. One budget can be set so that there is a drawing on balances, but it is not permissible for an overall HRA budget deficit to be set. It is for the Council to determine what level of balances should be maintained. The quarter 3 monitoring position indicated that at 31 March 2015 the HRA balances were £14.9m, and forecast to be £8.3m at 31 March 2016.

1.9.2 The principal items of expenditure within the HRA are management and maintenance costs, together with charges for capital expenditure (depreciation and interest). This is substantially met by rent and service charge income from dwellings, garages and commercial premises.

Council Dwelling Rents

1.9.3 Council rents will fall by 1% a year for the next four years from April 2016, following which they are expected to increase by Consumer Prices Index (CPI) + 1%. This is required by the Welfare Reform and Work Bill that is currently progressing through Parliament.

1.9.4 When a dwelling is re-let to a new tenant then the rent will be reset at the formula rent level, minus 1% for four years from April 2016 as required by the Government policy for social rents.

1.9.5 Where a dwelling rent is already above formula rent levels at the point it becomes empty, there will be no adjustment to the rent when the property is re-let.

1.9.6 Once a property has been let, the rent will reduce by 1% a year at the start of the following financial year for the current tenant up to and including 2019/2020.

1.9.7 New homes being delivered on the Council's land will be subject to affordable rents set at 65% of average private sector market rents or the Local Housing

Allowance (LHA) whichever is lower. In line with Government Policy, the affordable rent that applies at the end of each financial year will be reduced by 1% at the start of the next financial year for the current tenant up to and including 2019/2020.

1.9.8 The average weekly rent on a 52 week basis will be £101.84. This has decreased from an existing weekly average rent of £102.87.

Service Charges and Garages

1.9.9 The table below outlines the changes that are recommended to take effect from 1 April 2016:

	2015/16	2016/17	Increase	% Increase
Grounds Maintenance	£1.85	£2.71	£0.86	46.3%
Lighting	£1.14	£1.16	£0.02	2%
Heating - Grahame Park	1 Bed - £11.96	1 Bed - £12.20	1 Bed - £0.24	2%
	2 Bed - £16.59	2 Bed - £16.92	2 Bed - £0.33	
	3 Bed - £17.91	3 Bed - £18.27	3 Bed - £0.36	
Heating – excluding Grahame Park	2%			
Digital Television	£0.82	£0.84	£0.02	2%
Weekly Caretaking	£6.48	£6.61	£0.13	2%
Caretaking Plus	£8.36	£8.53	£0.17	2%
Quarterly Caretaking	£1.31	£1.34	£0.03	2%
Enhanced Housing Management and Alarm Service (sheltered housing)	2%			
Garages	2%			

1.9.10 Service charges and garage rents have been reviewed to ensure that costs are being recovered.

1.9.11 Grounds maintenance fees will increase by 46.3 %, an increase of £0.86 per week. This is due to the fact that a review of charges and recharges has shown that more can be charged to reflect the actual costs of running the service.

1.9.12 All other housing related service charges and the rents for garages will be increased by 2%.

HRA Summary and working balance

1.9.13 Total expenditure for 2016/17 is estimated at £59m, including charges for financing HRA debt.

1.9.14 The HRA for 2016/17 shows a contribution to balances of £1.2m. The estimated HRA balance as at 31 March 2017 is £9.5m.

1.10 Robustness of the budget and assurance from Chief Finance Officer

1.10.1 The Chief Finance Officer is required under section 25 of the Local Government Act 2003 to report to the council on the robustness of the estimates and adequacy of reserves. The council's reserves and balances policy is attached at Appendix 8.

Robustness of Estimates

1.10.2 The financial planning process for 2016/17 is in light of confirmation of further cuts from central Government. This has posed a significant challenge for all authorities to balance budgets with significant reductions in government support.

1.10.3 The draft local government finance settlement for Barnet in 2016/17 has resulted in an additional £5.5m of grant reduction. The impact on the MTFS has been mitigated by using collection fund surplus, additional new homes bonus received and reducing general contingency.

1.10.4 The reduction of funding in contingency means that if the social care precept is not applied, additional savings options will need to be developed of at least £3m (on-going) to ensure there is a balanced and sustainable budget going forward.

1.10.5 The financial planning process has been managed at officer level through the Delivery Unit Board and Commissioning Group Management Team meetings. These Director level groups have overseen the process for financial planning, including medium-term resource projections, the strategic context for the borough, and the quantification of new pressures on resources, and the identification of potential budget savings. This has happened alongside budget challenge sessions with members of Performance and Contract Management Committee and Policy and Resources Committee.

1.10.6 Extensive consultation has taken place in respect of the budget proposals in general, and also in respect of specific planned changes. Consultation feedback has been taken into consideration as final proposals to the council have been formulated.

1.10.7 At Member level, the Theme Committees have considered the financial planning process and made recommendations to the Policy and Resource Committee. The savings will then be referred to Council and agreed in March.

Robustness of Budget Setting Process

1.10.8 The process that has been undertaken to set the budget has included engagement of officers from service departments throughout the year, regular reporting to Theme Committees and Council, consultation with the public,

along with due consideration of statutory duties, particularly in respect of equalities. For these reasons, it can be confirmed that the budget setting process has been robust.

Effectiveness of Budget Management

1.10.9 The council has robust arrangements for managing budgets and performance. Close attention will continue to be paid to the implementation of agreed savings, with regular reporting to the Performance and Contract Management Committee.

1.11 Reserves and balances

1.11.1 It is the role of the Section 151 officer to recommend a level of reserves within the council's budget. However, it is important that members understand the level of reserves that the council holds, and ensure that the reserves policy fits in line with the organisational strategy. The council's policy on reserves and balances is attached at Appendix 8.

1.11.2 The council holds general non ring-fenced and not earmarked annual reserves of £15m to deal with any in year and unplanned pressures. This is equivalent to 5% of annual expenditure and this amount is in line with Audit and Regulatory good practice. The council's need to ensure an adequate level of reserves and contingencies which will enable it to manage the risks associated with delivery of the budget including equalities impacts and unforeseen events.

1.11.3 Ring fenced reserves include money that is ring fenced by statute and can only be used for their designated purpose (such as schools and public health balances), funding held to service a long term PFI contract, and also funding held on behalf of other organisations such as the North London Sub Region.

Specific reserves	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
	£m	£m	£m	£m	£m	£m
Risk	12.0	9.9	9.9	9.9	9.9	9.9
Transformation	15.0	1.5	1.5	1.5	1.5	1.5
PFI	3.7	3.7	3.7	3.7	3.7	3.7
Service Development	7.9	6.1	6.1	6.1	6.1	6.1
Infrastructure	34.7	20.6	0.6	0.6	5.3	11.1
Service Reserves	42.7	35.6	34.3	34.2	34.2	34.2
Council total	116	77.4	56.1	56	60.7	66.5
Schools reserves	13.1	13.1	13.1	13.1	13.1	13.1
Total	129.1	90.5	69.2	69.1	73.8	79.6

General reserve	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
	£m	£m	£m	£m	£m	£m
General fund	14.8	14.8	14.8	14.8	14.8	14.8
Housing revenue account	32.8	32.8	32.8	32.8	32.8	32.8

1.12 2015/16 Revenue Budget management

1.12.1 The general fund forecast outturn for quarter 3 is an overspend of £2.6m. This represents a 0.95% variance against a budget of £277.9m. In order to manage expenditure and income within agreed budgets, Directors are tasked with developing recovery plans to identify all significant pressures to ensure mitigations are identified.

1.12.2 The Delivery Units with significant overspends are listed below with a summary of their main pressures:

- Adults and Communities: forecast overspend of £2.2m at quarter 3, driven by increased demand for services funded from care budgets, particularly clients with dementia; clients transitioning into learning disabilities from children's services with increasingly complex needs and correspondingly expensive packages of care; and self-funders whose funds have depleted.
- Family Services: forecast overspend of £0.96m at quarter 3, driven by increased demand for residential care, special guardianship orders and resident's orders, preparing for independence and family assessments. The overspend also relates to the use of agency staff due to the national shortage of social workers.
- Housing: forecast overspend of £.4m at quarter 3, driven primarily because of a reduction in availability of lower cost units on regeneration estates, along with other economic factors resulting in increased demand for more expensive short term accommodation.

1.12.3 Recovery plans for forecast in-year overspends are monitored by Performance and Contract Management Committee through the year. Specific risks in the MTFS in para 1.4.2 takes the pressures above into consideration, however relevant Directors will need to ensure existing overspends are being addressed in order to ensure delivery of future savings proposals are not at risk.

Transfers from contingency and reserves

1.12.4 Allocate £584k (on-going) from contingency to fund the revenue pressure from temporary accommodation in Housing Needs and Resources.

1.12.5 Allocate £1.4m (one-off) from contingency to fund the continued pressure on Adults and Communities budget from increased referrals, an increase in clients with complex needs and self-funders with depleted funds.

Transfers to reflect budget changes

1.12.6 The Summers Lane Civic Amenities and Recycling Centre (CARC) transferred to the control of the North London Waste Authority (NLWA). The associated costs for the management of the Summers Lane CARC will in future be charged to the council through the NLWA waste levy. As a result an on-going budget virement of £764k is required from Street Scene to Commissioning Group.

1.12.7 Insurance budgets need to be re-aligned across all delivery units to capture the total cost of running the service. This virement will be on a one-off basis as per the table below:

Service Area	£
Adults and Communities	(23,420)
Assurance	(6,030)
Births Deaths & Marriages	(750)
Children's Education & Skills	(14,990)
Children's Family Services	(59,200)
Commissioning	(13,760)
Customer Support Group	(97,720)
Housing Needs Resources	(140)
Parking & Infrastructure	(1,570)
Regional Enterprise	(3,850)
Streetscene	38,400
Central Expenses	183,030
Grand Total	(0)

Debt Write off

1.12.8 The following write offs over £5k, be referred to Full Council.

- Sundry Debt write offs totalling £0.306m
- Council Tax write offs totalling £0.131m
- Non-Domestic Rates write offs totalling £1.001m
- Housing Rents write offs totalling £0.285m
- Housing Leaseholder write offs totalling £0.038m

1.13 Transformation Programme

1.13.1 Delivery of the outcomes set through the Corporate Plan and the savings required by the MTFs will continue to be achieved by the transformation programme, established in December 2014. At the heart of this approach is an invest-to-save model, aiming to achieve cumulative benefits of £171m by 2020.

1.13.2 The Council has delivered major changes already through the transformation programme, including:

- A new innovative partnership with Cambridge Education for a range of education services (due to commence in April 2016);
- A new pilot multi-agency employment support team in Burnt Oak called BOOST;
- A new, integrated service for 0-25 year olds with learning disabilities;
- New proposed strategies for Open Spaces and Waste & Recycling services which are now out for public consultation;

- Transferred staff out of North London Business Park Building 4;
- Identified two sites on Copthall and Victoria Recreation Ground for new leisure centres.

1.13.3 The transformation programme will continue to be the key mechanism for delivering the Council's MTFs savings and wider desired outcomes, providing the additional skilled capacity and delivery arrangements, beyond current business as usual operations, which will be required. In total, the programme now aims to achieve £62.8m budget savings, including £22m new areas of savings from when the programme was first established. Cumulatively this would mean £171m of savings delivered by the end of 2019/20.

1.13.4 A number of new projects will need to be established, or existing projects re-scoped, in order to deliver these new savings areas. These include:

- Supporting people to find work and improve their employment opportunities, focusing on social care clients and young people at risk of being not in employment, education or training
- Safely reducing the number of children in care by working with social workers and other children's services professionals to embed new social care best practice frameworks & approaches used for targeted intervention and managing demand, such as Signs of Safety, Pause and No Wrong Door
- Improving how residents and businesses access council services by improving the website, moving to online services, redesigning key processes, developing the right face-to-face service points, and providing greater ability to manage demand
- Increasing the independence of social care clients, through additional capacity to improve the review and support planning process including the use of equipment and technology
- Putting in place the most appropriate delivery models for adults social care, children's services and street scene services
- Improving the provision of alternative education services (where pupils engage in timetabled, educational activities away from school and school staff) for Barnet schools within a new Multi-Academy Trust which integrates existing services within suitable accommodation
- Delivering service reforms to early years, youth, adoption, and CAMHS services
- Reinforcing a culture that rewards high performance and drives up productivity by implementing new pay, grading and contractual arrangements to ensure a better overall package in terms of basic pay.

1.13.5 The Council will continue to use its established model for ensuring projects are developed and delivered in an effective way, with business cases and recommendations presented to Committees at set points - with a strong focus on ensuring that the costs are proportionate with the benefits of delivering the project. Larger, more complex projects are subject to internal audit and, where required, external gateway reviews. Progress against relevant programmes and projects will continue to be reported to Performance and Contract Monitoring Committee each quarter.

1.13.6 The Council has put in place a Transformation Reserve to enable successful delivery of required changes. There are some underspends in specific areas that can be used to fund some of the new areas of spend as shown in the table below. After use of these underspends, the total additional funding required from 2016/17 onwards for future projects is £4.3m which will be transferred to the transformation reserve from the service development reserve.

2. REASONS FOR RECOMMENDATIONS

2.1 The council is legally obliged to set a budget each year which must balance service expenditure against available resources. It is also a key element of effective financial management for the council to put together a financial forward plan to ensure that it is well placed to meet future challenges, particularly in the context of cuts to local authority funding, demographic increases and legislative changes.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 This report sets out a range of options across the council's remit to meet the budget challenge. This includes proposals for workforce savings, as well as generating income. Alternatives to this could include more significant cuts to services the council provides, but these are not included in this report.

4 POST DECISION IMPLEMENTATION

4.1 Following approval of these recommendations, these budget proposals and council tax requirement will be considered by Council on 1 March 2016.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Council's Corporate Plan for 2015-20 sets the vision and strategy for the next five years based on the core principles of **fairness, responsibility and opportunity**, to make sure Barnet is a place:

- Of opportunity, where people can further their quality of life;
- Where people are helped to help themselves, recognising that prevention is better than cure;
- Where responsibility is shared, fairly;
- Where services are delivered efficiently to get value for money for the taxpayer.

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

5.2.1 The revenue budget proposals will enable the council to meet its savings target as set out in the MTFs. These budgets will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of the council budget setting process. For this reason, the proposals are subject to change annually.

5.2.2 The budget proposals in this report will have an impact on staff. A number of budget proposals will result in a reduction in posts in the organisation. For 2016/17, this impact will be discussed at General Functions Committee and is summarised below:

Delivery Unit	Full Time Equivalent (FTE)
Adults and Communities	47.5
Family Services	0
Street Scene	12
Commissioning Group	0
Total	59.5

5.3 Social Value

5.3.1 In taking forward the proposals due regard will be paid to the Social Value Act. The Social Value Act will be a useful tool in ensuring that our activities are embedded in prevention and early intervention. We will seek to look for added value that providers can bring in delivering our services, such as where apprenticeships are provided.

5.3.2 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.4 Legal and Constitutional References

5.4.1 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.

5.4.2 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.

5.4.3 All proposals emerging from the review of the budget setting process must be considered in terms of the council’s legal powers and obligations, including its overarching statutory duties such as the Public Sector Equality Duty.

5.4.4 Constitution Responsibilities for Functions sets out the terms of the Policy and Resources Committee, which include:

- To be the principal means by which advice on strategic policy and plans is given and co-ordinated on strategic issues such as the Council's Capital and Revenue Budget setting, Medium Term Financial Strategy and ensuring effective Use of Resources and Value for Money.
- To be responsible for the overall strategic direction of the Council including strategic partnerships, Treasury Management Strategy and internal transformation programmes.
- To consider and take any necessary action on proposals for new legislation, Bills before Parliament, Acts of Parliament and other proceedings before Parliament affecting or likely to affect the interests of the Borough or its inhabitants generally, where not the specific concern of any other committee(s). The promotion of Bills and Provisional and Statutory Orders in Parliament shall be dealt with by the council.

5.4.5 As a matter of public law the duty to consult with regards to proposals to vary reduce or withdraw services will arise in 4 circumstance:

- Where there is a statutory requirement in the relevant legislative framework;
- Where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy;
- Exceptionally, where the matter is so important that there is a legitimate expectation of consultation; and
- Where consultation is required to complete an equalities impact assessment.

5.4.6 Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:

- Comments are genuinely invited at the formative stage;
- The consultation documents include sufficient reasons for the proposal to allows those being consulted to be properly informed and to give an informed response;
- There is adequate time given to the consultees to consider the proposals;
- There is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting; and
- The consultation is clear on the reasons why, and the extent to which alternatives and discarded options, have been considered.

5.4.7 Barnet Council is committed to involving residents, businesses and service users in shaping the borough and the services they receive. Consultation and engagement is one of the key ways the council interacts with and involves local communities and residents, providing them with opportunities to:

- Gain greater awareness and understanding of what the council does
- Voice their views and understand how they can get involved
- Feed in their views to the democratic decision making process.

- 5.4.8 There will be staff consultation about these proposals in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. The Council may be required to publish a statutory notice to the Secretary of State and undertake consultation should we reach the minimum thresholds for potential redundancies resulting from these proposals
- 5.4.9 Decision makers should have due regard to the Public Sector Equality Duty when making their decisions. If negative equality impacts are found then decision makers may – or may not – decide to change their decisions after balancing all of the factors, including but not limited to equality considerations. The equalities duties are ongoing duties – they are not duties to secure a particular outcome. The equalities duties should be taken into account before a decision is made. It is important that decision makers have regard to the statutory requirements on them and make decisions in light of all available material. This will include the results of consultation and other comments that residents and organisations make on the proposals.
- 5.4.10 Full equality impact assessments have been prepared for the Policy and Resources Committee for those savings that will make up the budget for 2016/17 taking into account the results of the public consultation before the budget is referred to Council. Where proposals are at early stages then the equality impact assessment will be completed prior to decisions being made.

5.5 Risk Management

- 5.5.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. Risk management information is reported quarterly to Committees and is reflected, as appropriate, throughout the annual business planning process.
- 5.5.2 In December 2015, the Government confirmed spending totals for Councils for 2016/17 and indicative figures from 2017-20. Ahead of this the Spending Review and Autumn Statement 2015 has confirmed that the deficit elimination and debt reduction programme is set to continue until the end of the decade. For this reason, it is important that the Council continues to be prudent with its use of reserves and contingency to mitigate future cuts.
- 5.5.3 The challenges set out in this report require fundamental change in the way Council services are delivered, which impacts on the human resources of the organisation and related policies and practices. This process will be managed in conjunction with Trade Unions and staff.
- 5.5.4 The future savings proposals are significantly challenging and dependent on a range of factors often outside of the control of the service and with longer lead in times. The achievement of savings predicated on reducing demand through improved preventative work and social work practice should lead to better outcomes. However the relationship between early intervention/prevention and reduced demand on social care is not always linear and is subject to a range of both controllable and uncontrollable variables. There is therefore a risk that the savings set out may not be deliverable as the Council must always ensure that safeguarding of adults, children and young people remains paramount.

5.5.5 The corporate risk register as at quarter 3 is included in Appendix 9.

5.6 Equalities and Diversity

5.6.1 The Equality Act 2010 and The Public Sector Equality Duty, require elected Members to satisfy themselves that equality impact considerations have been fully taken into account in developing the proposals which emerge from the finance and business planning process, and considered together with any mitigating factors. As part of the Council's approach to strengthening how due regard is paid to equalities in decision making, the Council will consider the equality impact of each proposal in the budget year in question and develop Equality Impact Assessments (EIAs) as appropriate.

5.6.2 As with last year the council has considered the 9 characteristics protected by Equality Act 2010. In addition, as in previous years, the council has sought to assess the impact on other groups who may be vulnerable including carers, (adult and young carers), people currently out of work and those on low income and particular geographic areas of disadvantage – groups who are not defined as a protected characteristic under the 2010 Equality Act but who may nevertheless experience additional barriers to equal life chances. This is in line with the council commitment to fairness as discussed at Policy and Resources Committee on 10 June 2014, when Members advised that Committees 'should be mindful of fairness and in particular, of disadvantaged communities when making their recommendations on savings proposals. These groups were also highlighted in last year's assessment of cumulative equalities impact of our proposals.

5.6.3 The council has taken account of growing diversity in the demographic makeup of the borough's population, including growth in both young and older people, in determining both the corporate strategy and service responses in this paper so that the aspirations and contributions of current residents are reflected. The council also aims to consider the needs of all tax payers and to strike the right balance between fairness towards the more frequent users of services and fairness to the wider taxpayer, making sure that all residents from our diverse communities can access and benefit from local services and the opportunities of growth in the borough.

5.6.4 To meet the requirement for members outlined above equality impact assessments will be published to support 2016/17 savings proposals. This document is scheduled for publication on 8th February 2016 for Policy and Resources Committee on 16th February. At this stage, whilst the document represents a near final cumulative EIA, and the analyses of the equality impacts of proposals are not expected to change, it must be kept in mind that the paper is published ahead of the closure of the Council's public consultation of the budget proposals on 12th February 2016. Therefore both the cumulative and individual EIAs may require updating after this to take account of consultation feedback and prior to final endorsement of the budget at the Council meeting on 1st March 2016.

5.6.5 The council has carried out 13 EIAs for 14 individual budget savings proposals for 2016/17 and these are published with a cumulative assessment of the equalities impact. One of the EIAs covers two proposals. 8 of the 13

EIAs are showing either significant or minimal positive impact, 2 are showing a neutral impact and 3 are showing a negative impact.

- 5.6.6 The minimal negative equalities impacts identified in cumulative EIA of the council's budget proposals arise from two proposals - Home Meals (ASC) and Libraries (CELS) and affect five protected groups. These are:
- Age: Over 85's (Home meals, ASC);
 - Ethnicity: Jewish and other minority groups (Home meals, ASC);
 - Age: 16-18 years (Libraries, CELS);
 - Women – pregnancy and maternity (Libraries, CELS);
 - People with disabilities (Libraries, CELS).
- 5.6.7 Mitigations are fully detailed in the cumulative EIA which also notes a regrettable continuing cumulative negative impact for young people. According to the Equality and Human Rights Commission; prospects for young people in the UK have worsened over the past five years¹. - taking into consideration Barnet's commitment to fairness and the wider economic context.
- 5.6.8 Environment are showing **impact not known** for five new budget saving proposals from (Parks and Green spaces, street scene, waste collection and fees and charges). This is because the proposals are at an early stage and during 2016 it is planned to develop a strategy for waste and recycling and proposals for Parks and Open Spaces, both of which affect all residents in the borough, to deliver services which reflect the needs of the diversity of Barnet residents. Consultations have been launched to assist those strategic reviews and to inform further years' budget savings from 2017 and the EIAs will be developed as those proposals take shape and prior to decision making on those proposals in committee.
- 5.6.9 Adults' proposals for supporting people in the community, independence of young people, personal assistants, support for working age adults, provision of wheelchair housing and Homeshare are all assessed as positive showing positive impacts for older people, vulnerable people, people with learning, mental health and other disabilities. Positive impacts are identified for children and young people in the strategy for Looked after Children, Early Years proposals are expected to have a minimum positive impact on the protected characteristics and in particular they anticipate improved access to information and services for pregnancy and maternity. The alternative delivery model for Education and skills indicates a neutral impact for the protected characteristics and anticipates benefits for staff transferring. On balance therefore, the equalities analysis of the business planning process has identified that, as the council makes hard decisions, they are aware of the need to mitigate negative impacts, for the protected characteristics and to design new services with this in mind.

¹ <http://www.equalityhumanrights.com/about-us/our-work/key-projects/britain-fairer-0>

5.6.10 All human resources implications of the budget savings proposals will be managed in accordance with the Council's Managing Organisational Change policy that supports the Council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.

6 BACKGROUND PAPERS

Item	Decision	Link
Policy and Resources Committee 16 December 2015	Decision item 7 – Business Planning	http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=692&MId=8349&Ver=4
Assets, Regeneration and Growth Committee 30 November 2015	Decision Item 15 – Business Planning	http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=696&MId=8311&Ver=4
Children's Education, Libraries and Safeguarding Committee 18 November 2015	Decision Item 8 – Annual Business Planning	http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=697&MId=8259&Ver=4
Adults & Safeguarding Committee 12 November 2015	Decision Item 7 – Business Planning 2016/17	http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=698&MId=8362&Ver=4
Environment Committee 10 November 2015	Decision Item 7 – Business Planning	http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=695&MId=8334&Ver=4
Housing Committee 19 October 2015	Decision Item 11 – Housing Revenue Account (HRA) Business Plan	http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=699&MId=8268&Ver=4
Policy and Resources Committee 9 July 2015	Decision Item 10 - Business Planning – 2015/16-2019/20	http://barnet.moderngov.co.uk/documents/s24390/Finance%20and%20Business%20Planning%20Medium%20Term%20Financial%20Strategy%20201617%20to%20201920.pdf

APPENDIX 1- Medium Term Financial Strategy	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Budget brought forward	282,927	282,518	269,924	259,880
Statutory/cost drivers				
Inflation (pay)	1,097	1,108	1,119	1,130
Inflation (non-pay)	3,309	3,376	3,443	3,512
North London Waste Authority (NLWA) levy	1,366	937	758	1,035
Capital financing costs	0	1,000	1,000	2,500
Public Health	4,209	(927)	(881)	(837)
Statutory/cost drivers sub-total	9,981	5,494	5,439	7,340
Contingency - general risks	(2,380)	(238)	703	3,843
Homelessness	500			
Social Care Precept	2,571			
Concessionary Fares	227	255	292	346
Central Expenses sub-total	918	17	995	4,189
Balances to/(from) reserves				
Specific reserves contribution 2015/16 NHB	(7,416)			
Specific reserves contribution 2016/17 NHB	10,735	(10,735)		
Specific reserves contribution 2017/18 NHB		10,548	(10,548)	
Specific reserves contribution 2018/19 NHB			9,897	(9,897)
Specific reserves contribution 2019/20 NHB				7,583
Transfer from reserves	955			
Reserves sub-total	4,274	(187)	(651)	(2,314)
Total expenditure	298,100	287,841	275,707	269,094
New Formula grant funding				
Business Rates	35,484	36,182	37,250	38,440
Business Rates- Top up	18,265	18,624	19,173	19,786
Revenue Support Grant (RSG)	36,849	23,413	14,865	6,182
New Formula grant sub-total	90,598	78,219	71,288	64,408
Council Tax				
Council Tax (CT)	146,884	149,566	152,501	155,918
Social Care precept	2,571	2,571	2,571	2,571
Collection Fund contribution (CT)	3,636	2,000		
CT freeze grant 15-16	0			
Core grants				
Private Finance Initiative (PFI) credit	2,235	2,235	2,235	2,235
Education Services Grant	3,521	3,169	2,852	2,567
NHB	12,307	12,548	9,897	7,583
Housing and CT Benefit Administration Grant	2,223	2,001	1,801	1,621
Public Health	18,543	17,616	16,735	15,898
Other funding sub-total	191,920	191,705	188,592	188,393
Total Income from grant and Council Tax	282,518	269,924	259,880	252,801
Proposed Pressures	3,972	3,953	3,616	3,936
Budget Gap before savings & pressures	15,582	17,918	15,827	16,294
Proposed Savings	(19,554)	(21,871)	(19,443)	(15,230)
Budget Gap after savings	0	(0)	0	5,000

Appendix 2: Revenue Budget 2016/17			
	2015/2016		2016/2017
	Original Estimate	Current Estimate	Original Estimate
<u>Council Services</u>	£	£	£
Adults and Communities	81,816,126	86,378,114	85,566,270
Assurance	4,110,443	4,198,773	3,792,773
Births Deaths & Marriages	(160,530)	(159,890)	(159,890)
Central Expenses	72,619,227	51,277,047	51,381,147
Children's Education & Skills	6,152,047	7,263,013	7,068,213
Children's Family Services	47,717,064	48,476,193	46,480,663
Commissioning	9,805,873	20,248,990	19,158,990
Customer Support Group	20,821,765	22,119,555	22,119,555
HB LAW	1,752,397	2,011,397	2,011,397
Housing Needs Resources	3,953,609	4,975,749	4,975,749
Parking & Infrastructure	6,219,169	6,319,479	6,119,479
Public Health	14,335,000	15,835,000	18,544,000
Regional Enterprise	730,197	1,133,957	1,133,957
Streetscene	14,013,753	15,010,433	13,895,663
Special Parking Account	(7,420,775)	(7,122,445)	(8,052,445)
Additional Income from Council Tax			(2,253,000)
Total Service Expenditure	276,465,365	277,965,365	271,782,521

REVENUE BUDGET 2016/17

BUDGET	2015/2016 Original	2015/2016 Current	2016/2017 Original
	£	£	£
Total Service Expenditure	276,465,365	277,965,365	271,782,521
Contribution to / (from) Specific Reserves	6,461,288	6,461,288	10,735,156
NET EXPENDITURE	282,926,653	284,426,653	282,517,677
Other Grants	(32,038,000)	(33,538,000)	(38,829,000)
BUDGET REQUIREMENT	250,888,653	250,888,653	243,688,677
Business Rates Retention	(35,191,000)	(35,191,000)	(35,484,000)
Business rates top-up	(18,114,000)	(18,114,000)	(18,265,000)
BUSINESS RATES INCOME	(53,305,000)	(53,305,000)	(53,749,000)
RSG	(50,444,000)	(50,444,000)	(36,849,000)
Collection Fund Adjustments	(1,500,000)	(1,500,000)	(3,636,000)
Additional income from Council Tax			2,253,000
BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT	145,639,653	145,639,653	151,707,677
Greater London Authority - Precept	38,984,545	38,984,545	37,349,424
COUNCIL TAX REQUIREMENT	184,624,198	184,624,198	189,057,101
Components of the Council Tax (Band D)	2015/2016	2016/17	Increase
	£	£	
Mayors Office for Policing and Crime	211.19	192.19	(9.00%)
London Fire & Emergency Planning Authority	48.55	48.55	0.00%
Mayor, Administration, Transport for London, Olympic Games and Boroughs' Collection Fund balances.	35.25	35.25	0.00%
Greater London Authority	295.00	276.00	(6.44%)
London Borough of Barnet	1,102.07	1,121.07	1.72%
Total	1,397.07	1,397.07	(0.00%)

REVENUE BUDGET 2016/17

COUNCIL TAX SUMMARY

Council Tax Bands (based on property values @ 1 April 1991)	2015/16	2016/17	Tax Yield
	£	£	£
[Up to £40,000]	931.38	931.38	1,835,741
[Over £40,000 & up to £52,000]	1,086.61	1,086.61	6,215,301
[Over £52,000 & up to £68,000]	1,241.84	1,241.84	24,093,621
[Over £68,000 & up to £88,000]	1,397.07	1,397.07	36,330,591
[Over £88,000 & up to £120,000]	1,707.53	1,707.53	42,666,872
[Over £120,000 & up to £160,000]	2,017.99	2,017.99	33,946,285
[Over £160,000 & up to £320,000]	2,328.45	2,328.45	33,320,306
[Over £320,000]	2,794.14	2,794.14	10,648,384
			189,057,101

COUNCIL TAXBASE

Council Taxbase	2015/2016	2016/2017	Income
	Band D Equivalents	Band D Equivalents	
Total properties (per Valuation List)	166,725	168,206	234,995,558
Exemptions	(2,648)	(2,454)	(3,428,410)
Disabled reductions	(115)	(112)	(156,472)
Discounts (10%, 25% & 50%)	(31,571)	(28,938)	(40,428,412)
Adjustments	1,677	605	845,227
Aggregate Relevant Amounts	134,068	137,307	191,827,491
Non-Collection (1.5% both years)	(1,998)	(2,060)	(2,877,964)
Contributions in lieu from MoD	81	77	107,574
	132,151	135,324	189,057,101

Budget Summary and Forward Plan

Adults & Communities	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	81,816,126 4,561,988	85,566,270	82,081,470	79,640,670
	86,378,114	85,566,270	82,081,470	79,640,670
<p><u>Efficiencies</u></p> <p>Budget proposals for 2016-20 include efficiency savings on third party contracts by approximately 2% per annum.</p> <p>The bulk of the adult social care budget (75%) is spent on external contracts for care services with external providers. Of this, the majority is spent on individual support plans for people with eligible social care need which is being addressed through other savings lines below. The remainder of contracts, i.e those not spent on people with eligible needs, £5.5m in total and are being considered under this saving. Proposals are being developed in relation to individual contracts and the changes include commissioning different models of service delivery, terminating contracts, improved contract management and negotiation of better rates for 15/16 contracts.</p> <p>Last year's budget proposals for 2016-20 included workforce savings spread equally over four years. These have now been brought forward to deliver an earlier saving. An element of the saving can be mitigated through improved productivity and efficiency, in particular through the implementation of an improved case management IT system and changes to the assessment process. The proposals will include reviewing management roles, skills mix (i.e. reducing qualified social workers and having more unqualified social workers) and back office efficiencies.</p>	(400,000)	(431,500)	(395,500)	(280,500)
	(1,088,000)	(400,000)		(213,000)
	(1,488,000)	(831,500)	(395,500)	(493,500)

Adults & Communities	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p><u>Service Reductions</u></p>	0	0	0	0
<p><u>Service Redesign</u></p> <p>Integrated Care for frail elderly/over 50 years with long-term conditions The proposal to develop a 5 tier model to support the development of an integrated health and social care system for older frail people was agreed at the Health and Wellbeing Board in March 2014 and has formed the key element of the Council and CCG's national Better Care Fund plan. Saving is modelled on the impact of reducing demand on acute and residential care by working to reduce unplanned care.</p> <p>Increased use of assistive technology (e.g. sensors, alarms, monitoring systems) both in individuals homes and in residential and nursing care providers, is expected to lead to a reduction in care package costs (e.g. reduction in requirement for waking/sleeping nights). This could be delivered through partnering with a telecare provider to provide large scale telecare services.</p> <p>Following full implementation of the new mental health social work model to provide better services for users, the intention is to deliver further savings to high cost placements, workforce reconfiguration and longer term demand management for latter half of 4 year MTFs. The Saving is modelled on projections for demand of mental health care, the intended impact of demand management and reduction in crisis care admissions to hospital.</p>	0	(192,500)	(150,000)	(175,000)
	0	(692,500)	(900,000)	(425,000)

Adults & Communities	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p><u>Reducing Demand, Promoting Independence</u></p> <p>Continuation and further development of work to deliver savings through supporting older people in alternative ways, such as care in the community, instead of high cost care packages and residential placements. This will be applied to existing and new service users and will lead to increased use of universal services, enablement, telecare, equipment and direct payments which cost less than traditional home care and residential care. Eligible needs will therefore be met by a lower personal budget. The savings will be delivered by social workers incorporating elements in care and support plans which cost less than traditional care or that do not require Council funding. This might include support from volunteers, local clubs or local libraries, for example.</p> <p>Implement a 0-25 disabilities service that better brings together health, care and education to ensure that growth is enabled for young people with disabilities.</p> <p>This should reduce the cost to adult social care arising from lower care package costs for those transitioning at the age of 18 over this period than has been the case for past transitions cases. Thorough review of all young people currently placed in residential care and activity is underway to enable young people to move into more independent accommodation options, improving outcomes and reducing cost to the Adult Social Care Budget. Savings from the new ways of working, designed to increase service user independence, are also expected.</p> <p>Increasing choice in retirement and for younger disabled adults - investment in an increased advice and support service promoting adaptations and moving to a more suitable home. Savings are based on incremental impact of adaptation/move avoiding costs of enablement, increased homecare and residential care admission for c.20 adults.</p>	(350,000)	(350,000)	(350,000)	(85,000)
(300,000)	(90,000)	(85,000)	(85,000)	(85,000)

Adults & Communities	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Develop methods of increasing numbers of personal assistants in Barnet, as an alternative to home care agencies. Service users directly employ the personal assistant and therefore are able to personalise and control their care and support to a very high level. Savings are based on lower unit costs than home care agencies but assume all PAs are paid the LLW. Saving is modelled on 78,000 hours of home care being provided by PAs instead of home care agencies.</p> <p>Review support packages and develop support plans to meet needs at a lower cost. This is likely to include the following:- Increase the supply and take-up of supported living and independent housing opportunities - Supporting transitions to the above for people currently in residential care- Ensure that the review and support planning process is more creative and cost effective- Ensure that this considers how technology can enable people with disabilities to live more independently.</p> <p>Work has taken place to identify and review service users in placements who are suitable to step down from residential to supported living. Eligible needs will still be met. These savings are based on an audit of mental health service users currently in high cost residential placements who have been identified as suitable for more independent living (20 users).</p> <p>Remove the Council subsidy for the home meals service on expiry of the current contract and put in place alternative arrangements which actively enable service users to self arrange meals provision which meets individual and cultural needs in a safe way.</p>	(60,000)	(200,000)	(350,000)	(200,000)

Adults & Communities	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Use of existing wheelchair accessible housing stock of 21 units to enable people currently in high cost residential, nursing or supported living placements to become more independent ('step down'), through improved working between adult social care and Barnet Homes. The saving is also modelled on a small number of new build wheelchair housing units funded from HRA headroom. The saving is expected from a reduction in the cost of care package following review, preparation and transfer of individuals to more suitable placements, based on an average saving of £25K per year for high cost residential placements, and £10K per year for lower cost placements. Wheelchair accessible housing will be best suited to individuals with physical disabilities, or multiple disabilities and these are the primary cohort. Saving is modelled on people placed, saving the difference between care in one's own home and high cost residential placements.</p> <p>Encourage use of Older people home share schemes (where older people make space in their properties available at no/reduced rent to younger people/ students in return for support with domestic tasks such as cooking, cleaning, shopping etc). This will reduce reliance and requirement for home care and the cost of some care packages and is expected to have a positive impact on loneliness. Saving is based on a reducing the uptake of homecare hours for older people and stepping some users down. The saving will be £2k per year for each additional homesharing arrangement (120 homes). Saving will be delivered if home share scheme is targeted at those who would otherwise have those needs met by the Council. However, home share will also be developed as a preventative service in addition.</p>	(83,000)	(69,500)	(48,500)	(55,000)

Adults & Communities	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>An intensive evidence-based model of support for Barnet carers of people with dementia, in order to increase carer sustainability, delay residential care and manage adult social care demand. The saving is modelled on 10 couples and was developed and consulted on as part of the priorities and spending review process in 2013/14 and the adults and safeguarding commissioning plan.</p> <p>The programme to deliver support to sustain carers of people with dementia to stay in their own homes will be developed internally.</p> <p>Support to help people remain caring and in work by increasing support to carers and employers in the borough enabling carers to remain in work and caring by achieving a 0.5% retention rate (c.14 carers). Savings are from cost avoidance of increased homecare support. This is a continuation of previous carers offer savings.</p>		(160,000)	(160,000)	(180,000)
	(1,895,000)	(1,960,800)	(1,145,300)	(520,000)
<u>Income</u>	0	0	0	0
<u>Pressures</u>				
Adults social care pressures (Precept)	2,571,156			
	2,571,156	0	0	0
Budget	85,566,270	82,081,470	79,640,670	78,202,170

Adults and Communities

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Care Quality	1,061,943	1,074,603	1,074,603
Customer Care	748,382	348,725	234,275
Integrated care - LD & MH	38,533,652	40,527,390	40,587,214
Integrated care - OP & DP	35,610,181	35,665,124	35,609,356
Safeguarding	731,111	733,091	603,751
Social Care Management	595,910	411,845	411,845
Adults Social Care	77,281,179	78,760,778	78,521,044
Community Well-being	(1,063,790)	391,460	549,070
Customer Finance	785,999	827,189	719,079
Performance & Improvement	1,024,365	767,135	575,755
Prevention & Well Being	3,603,173	5,445,112	5,014,882
Community Well-being	4,349,747	7,430,896	6,858,786
Dir Adult Soc Serv & Health	185,200	186,440	186,440
Dir Adult Soc Serv & Health	185,200	186,440	186,440
Adults and Communities	81,816,126	86,378,114	85,566,270

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Employee Related	12,708,555	14,807,949	13,723,719
Premises Related	20,755	33,228	33,228
Secondary Recharges	0	25,623	25,623
Supplies/Services	6,844,892	10,133,691	9,733,691
Third Party Payments	75,764,082	73,795,341	74,284,417
Transfer Payments	6,862,732	14,372,999	14,372,999
Transport Related	1,228,197	1,279,389	1,279,389
Expenditure	103,429,213	114,448,220	113,453,066
Customer & Client Receipts	(12,213,347)	(11,056,075)	(10,872,765)
Government Grants	0	(2,199,643)	(2,199,643)
Other Grants, Reimbursements &	(9,399,740)	(14,814,388)	(14,814,388)
Income	(21,613,087)	(28,070,106)	(27,886,796)
Adults and Communities	81,816,126	86,378,114	85,566,270

Budget Summary and Forward Plan

Assurance	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	4,110,443 38,330	3,792,773	3,712,773	3,712,773
	4,148,773	3,792,773	3,712,773	3,712,773
<p><u>Efficiencies</u></p> <p>Budget proposals for 2016-20 include efficiency savings of approximately 2% per annum on third party contracts. This saving comes from Commissioning Group and Assurance contract spending, which include communications and engagement contracts, internal audit and insurance. The overall budget includes provision for price increases of 2.5% per annum, so this saving could be made either from keeping the costs of contracts stable, or through improved contract management and negotiation of better rates.</p> <p>Budget proposals for 2016-20 include workforce efficiency savings of approximately 10% of the relevant staff budgets. As Government funding for council services continues to reduce, delivery units will need to review their workforce budgets to ensure that they can make the required savings. At this stage, it is expected that the 10% saving can be made without impacting on service delivery, but this assumption will need to be tested in the years to 2020. Corporate initiatives such as the review of terms and conditions and the unified pay project will support delivery units to achieve this saving. Delivery units will also need to review performance management, use of agency staff, management layers and productivity to ensure that this saving can be achieved.</p>	(16,000)			
	(200,000)			

Assurance	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>The bulk of this saving has already been achieved through a revised Scheme of Members Allowances that was agreed by Council on 15 July 2014. The new scheme of Allowances- reflecting the replacement of Cabinet and Scrutiny with eight theme committees- produced a saving of £90,358. In addition, a further £29,541 was saved as no Member may receive more than one Special Responsibility Allowance and some of the SRA paying posts were held by members already in receipt of an SRA. There are underspends in the budget that will fund the remaining savings of £100k.</p>	(140,000)	(80,000)	0	0
<u>Service Reductions</u>	(356,000)	(80,000)	0	0
<u>Service Redesign</u>	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>	0	0	0	0
<u>Income</u>	0	0	0	0
<u>Pressures</u>	0	0	0	0
Budget	3,792,773	3,712,773	3,712,773	3,712,773

Assurance

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Assurance Management	526,790	564,745	565,008
Assurance Management	526,790	564,745	565,008
Elections	423,055	391,880	348,195
Elections	423,055	391,880	348,195
Governance	2,310,780	2,375,490	2,143,500
Governance	2,310,780	2,375,490	2,143,500
Internal Audit & CAFT	849,818	866,658	736,070
Internal Audit & CAFT	849,818	866,658	736,070
Assurance	4,110,443	4,198,773	3,792,773

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Employee Related	3,748,746	3,749,736	3,488,303
Premises Related	9,200	0	520
Secondary Recharges	(10,680)	(4,660)	120,607
Supplies/Services	437,477	527,997	391,890
Third Party Payments	250	250	0
Transport Related	34,610	34,610	28,230
Expenditure	4,219,603	4,307,933	4,029,550
Customer & Client Receipts	(109,160)	(109,160)	(59,530)
Other Grants, Reimbursements & Contributions	0	0	(177,247)
Income	(109,160)	(109,160)	(236,777)
Assurance	4,110,443	4,198,773	3,792,773

Budget Summary and Forward Plan

Births, Deaths & Marriages	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	(160,530) 640	(159,890)	(159,890)	(159,890)
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0
<u>Income</u>				
	0	0	0	0
<u>Pressures</u>				
	0	0	0	0
Budget	(159,890)	(159,890)	(159,890)	(159,890)

Births, Deaths and Marriages

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Births Deaths & Marriages	(160,530)	(159,890)	(159,890)
Births Deaths & Marriages	(160,530)	(159,890)	(159,890)
Births Deaths & Marriages	(160,530)	(159,890)	(159,890)

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Employee Related	275,120	274,950	274,950
Premises Related	36,550	36,520	36,520
Secondary Recharges	0	840	840
Supplies/Services	28,190	28,190	28,190
Transport Related	1,000	1,000	1,000
Expenditure	340,860	341,500	341,500
Customer & Client Receipts	(501,390)	(501,390)	(501,390)
Income	(501,390)	(501,390)	(501,390)
Births Deaths & Marriages	(160,530)	(159,890)	(159,890)

Budget Summary and Forward Plan

Central Expenses	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	72,619,227 (20,968,080)	51,381,147	57,820,599	66,493,562
	51,651,147	51,381,147	57,820,599	66,493,562
<p><u>Efficiencies</u></p> <p>The Council is required to budget each year for costs associated with repaying the principle on borrowing costs. This is known as "minimum revenue provision", and is prescribed as part of CIPFA accounting guidance. A review has been undertaken of the Council's MRP calculation, and it concludes that the annual charge is £1m more prudent than is necessary. This dates back to the original calculation made when the current capital financing regime came into place in 2004. This approach has been agreed with the Council's external auditors and is still considered to be a prudent approach.</p> <p>Barnet Council revised its redundancy terms and conditions back in 2011 which led to a reduction in individual redundancy payments. This approach was consistent with many other councils at the time. This, along with a lower level of redundancies per annum (partly arising from the outsourcing of services to CSG and Re) means that the annual budget that the Council sets aside for redundancy can be reduced by £1.875m per annum.</p>	(1,000,000)			
	(1,850,000)			

Central Expenses	2016/17 £	2017/18 £	2018/19 £	2019/20 £
The Council sets aside a budget each year to fund future borrowing costs for additional capital expenditure. This budget is approximately 4.5% of additional capital costs. Over recent years, the Council has not borrowed to fund additional capital expenditure and used cash balances instead. In addition, the interest rate on loans is currently less than 4%, leading to an annual saving. If future borrowing costs remain below 4%, then a saving of £5m over the period to 2020 is achievable. If interest rates increase, then the Council will be able to generate additional interest income on deposits, so this saving would also be achievable.	(2,500,000)	(2,500,000)	(1,500,000)	(500,000)
Reduction in Audit fees budget to reflect changes in current costs	(135,000)			
Insurance reduction as part of re-procurement in October 2015	(25,000)			
Reduction in spending on annual subscriptions and membership fees to organisations which the Council is currently a member of. A review of spending on annual subscriptions and membership fees is to take place in 2015. This will include recommendations on where to make savings.	(400,000)			
	(5,910,000)	(2,500,000)	(1,500,000)	(500,000)
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
Reduction in grants budget for London Councils Grants Scheme	(59,000)	(59,000)		
	(59,000)	(59,000)	0	0

Central Expenses	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
<u>Income</u>				
Increasing Council Tax Support payments to 20%	(1,026,000)	(456,000)		
	(1,026,000)	(456,000)	0	0
<u>Pressures</u>				
General Provision for inflation	4,406,000	4,484,000	4,562,000	4642000
Reduction / increase in Contingency budget for risks in service areas	(1,880,000)	(238,000)	703,000	3843000
Capital Financing		1,000,000	1,000,000	2500000
Increase in Concessionary Fares	227,000	255,000	292,000	346000
Demographics pressures due to general trends and price as well as transitions of children joining adult service areas	2,083,000	2,340,000	2,158,000	2,330,000
Due to increases in complex cases the demand for services is increasing. Social Care placement costs are being driven by an increase in external	950,000	600,000	400,000	200,000
Demographic pressures on 0 to 17 age group based on current placement costs and trends	939,000	1,013,452	907,964	1,195,912
Major developments in the western part of the borough mean higher waste support needs			150,000	210,000
	6,725,000	9,454,452	10,172,964	15,266,912
Budget	51,381,147	57,820,599	66,493,562	81,260,474

Central Expenses

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	22,815,670	22,759,670	19,259,670
Car Leasing	2,210	2,210	2,210
Central Contingency	12,412,386	2,430,406	7,876,506
Corporate Fees & Charges	398,940	398,940	263,940
Corporate Subscriptions	314,220	314,220	314,220
Early Retirement	5,427,321	5,427,321	3,577,321
Levies	30,717,050	19,074,250	19,242,250
Local Area Agreement	105,000	105,000	105,000
Miscellaneous Finance	426,430	765,030	740,030
Central Expenses	72,619,227	51,277,047	51,381,147
Central Expenses	72,619,227	51,277,047	51,381,147

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	36,437,296	26,455,316	28,401,416
Employee Related	4,163,281	4,721,491	2,871,491
Premises Related	829,490	740,400	740,400
Secondary Recharges	0	(191,230)	(191,230)
Supplies/Services	1,398,100	1,025,420	890,420
Third Party Payments	31,332,880	20,067,470	20,210,470
Transfer Payments	1,180	1,180	1,180
Transport Related	2,210	2,210	2,210
Expenditure	74,164,437	52,822,257	52,926,357
Customer & Client Receipts	176,040	176,040	176,040
Interest	(1,703,120)	(1,703,120)	(1,703,120)
Other Grants, Reimbursements &	(18,130)	(18,130)	(18,130)
Income	(1,545,210)	(1,545,210)	(1,545,210)
Central Expenses	72,619,227	51,277,047	51,381,147

Central Expenses (Levies)

Levies	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016-17
	£	£	£
<u>Other Establishments - Third part Payments</u>			
Environment Agency	320,730	320,730	320,730
Lea Valley Regional Park	428,350	428,350	428,350
London Pension Funds	707,000	707,000	707,000
Traffic Control Signals Unit	519,400	519,400	519,400
Concessionary Fares	15,918,280	15,918,280	16,145,280
	17,893,760	17,893,760	18,120,760
<u>Joint Authorities - Third Party Payments</u>			
North London Waste Authority	11,642,800	11,642,800	0
Coroners Court	284,000	284,000	284,000
	11,926,800	11,926,800	284,000
<u>Other Local Authorities - Third Party</u>			
London Boroughs Grants	896,490	896,490	837,490
Total Levies	30,717,050	30,717,050	19,242,250

Budget Summary and Forward Plan

Children's Education & Skills	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	6,152,047 1,001,166	7,068,213	6,908,213	6,653,213
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
Create an alternative way to deliver the Education and Skills service that currently provides school improvement support, school admissions, support for children with special educational needs, post-16 support and school catering. By developing a new service delivery model in partnership with schools, there is an opportunity to grow and develop services rather than reduce them.	(85,000)	(160,000)	(255,000)	(350,000)
<u>Service Redesign</u>				
	(85,000)	(160,000)	(255,000)	(350,000)
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0

Children's Education & Skills	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p><u>Income</u></p> <p>Through the development of a proposed new Delivery model for Education and Skills services in Barnet there will be a contractual requirement for a gainshare of profits from the trading of services externally. The council's share of any surplus that is available through Gainshare will be allocated as savings achieved as a result of the growth in services. This is over and above the agreed contractual savings.</p>				(300,000)
<p><u>Pressures</u></p>	0	0	0	(300,000)
	0	0	0	0
Budget	7,068,213	6,908,213	6,653,213	6,003,213

Children's Education and Skills

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Education & Skills Management	(499,986)	(529,556)	6,939,683
ES Deactivated Codes	320,020	0	0
Education Management Team	(179,966)	(529,556)	6,939,683
14-19 Learning Partnership	353,740	305,690	0
Catering	(190,470)	(131,970)	0
Education Partner & Comm Mgt	481,259	621,339	0
Education Psychology	452,580	591,570	0
Placement & Transport Mgt	3,867,064	4,426,510	0
School Monitoring Management	813,380	817,192	128,530
School Traded Services	5,530	16,780	0
SEN Monitoring & Review	574,330	1,164,548	0
Traded services	(25,400)	(19,090)	0
Inclusion & Skills	6,332,013	7,792,569	128,530
Children's Education & Skills	6,152,047	7,263,013	7,068,213

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	(112,486)	(225,575)	0
Employee Related	8,581,467	10,635,105	64,610
Premises Related	81,750	144,540	0
Secondary Recharges	303,190	316,980	0
Supplies/Services	4,225,887	5,259,861	16,258,686
Third Party Payments	648,670	754,370	80,550
Transfer Payments	0	11,150	0
Transport Related	2,415,849	2,986,729	0
Expenditure	16,144,327	19,883,160	16,403,846
Customer & Client Receipts	(9,523,830)	(11,796,860)	(9,059,903)
Government Grants	(107,090)	(525,207)	(107,090)
Other Grants, Reimbursements & Contributions	(361,360)	(298,080)	(168,640)
Income	(9,992,280)	(12,620,147)	(9,335,633)
Children's Education & Skills	6,152,047	7,263,013	7,068,213

Children's Service DSG

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
DSG Deactivated Codes	230,166	16,756	10,780
Edu Partnership&Commercial DSG	282,490	282,490	282,490
School Improvement DSG	733,171	730,510	731,950
Schools Funding	0	(475,000)	0
SEND & Inclusion DSG	(7,290,407)	(7,030,113)	(7,647,700)
Education (DSG)	(6,044,580)	(6,475,357)	(6,622,480)
Early Years DSG	5,269,850	5,700,627	5,847,750
Family Support DSG	336,040	336,040	336,040
Intake and Assessment DSG	285,540	285,540	285,540
Perm,Transit & Corp Parent DSG	153,150	153,150	153,150
Family Services DSG	6,044,580	6,475,357	6,622,480
Children's Service DSG	0	0	0

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	0	0	(1,802,500)
Employee Related	3,772,533	4,012,512	3,801,250
Premises Related	2,630	2,630	2,630
Secondary Recharges	200	2,108	0
Supplies/Services	8,608,909	1,082,900	5,707,260
Third Party Payments	25,674,544	26,203,294	29,069,210
Transfer Payments	174,612,454	179,330,710	178,755,800
Transport Related	457,320	461,633	456,780
Expenditure	213,128,590	211,095,787	215,990,430
Customer & Client Receipts	(33,000)	(83,000)	(83,000)
Government Grants	(213,095,590)	(211,012,787)	(215,907,430)
Income	(213,128,590)	(211,095,787)	(215,990,430)
Children's Service DSG	0	0	0

Budget Summary and Forward Plan

Children's Family Service	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	47,717,064	46,480,663	42,578,663	40,237,663
Virements	749,599			
	48,466,663	46,480,663	42,578,663	40,237,663
<p><u>Efficiencies</u></p> <p>Budget proposals for 2016-20 include efficiency savings on third party contracts. The overall budget has extra built in to allow for increases in the prices charged by suppliers. This savings would be achieved by improving contract management and negotiating better rates across a range of services.</p> <p>Proposal to save money by commissioning different models of service delivery and ceasing contracts, improved contract management and negotiating better rates.</p> <p>The contracts include Independent Reviewing Officers, early intervention commissioned services and recently concluded procurements.</p> <p>Proposal to reduce spending on work related travel and on agency staff. This includes a small reconfiguration of some back office functions. The recruitment and retention approach being implemented in Family Services will support the reduction in agency spend; there are opportunities to save money on travel through purchasing arrangements and better planning of required travel. The savings are in the context of significant reductions in the workforce in the past year.</p>	(381,000)	(135,000)	(134,000)	(188,000)
	(285,000)			
	(666,000)	(315,000)	(365,000)	(334,000)

Children's Family Service	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Shared Service Models</p> <p>The Council will look at emerging best practice across the country to ensure the highest quality of purposeful social work and wider children's service, with a focus on targeted early intervention and prevention. Professionally lead by children's workers, the approach may include established practice models such as a not for profit charitable trust or a Community Interest Company. Early evidence suggests that these models, by focussing on effective practice, have achieved greater productivity and delivered efficiencies. The integration of the delivery of services with other local London Boroughs will also be considered.</p> <p>Government is proposing for all adoption agencies to move to a regional model of provision. Savings would come from regionalisation of adoption and integrating services across London.</p>			(150,000)	(800,000)
<p>Service Redesign</p> <p>Savings through implementing an Early Years Review aimed at ensuring early years services function effectively in the face of limited resources. Use of public health grant to fund service levels above the statutory minimum (£1.5m), intervening early before needs escalate.</p> <p>Proposal to reconfigure Early Years, building on the locality model and further integrating services. The integration of services will include looking at different ways of delivering some elements of the Healthy Child Programme through Children's Centres.</p> <p>Following the implementation of the libraries review the implementation will be monitored to see if additional income over and above the present model is being delivered. If not alternative savings will need to be found</p>	0	0	(150,000)	(800,000)
	(550,000)	(506,000)	(535,000)	(74,000)
				(850,000)
				(573,000)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Children's Family Service</p> <p>Developing joined up Child and Adolescent Mental Health provision with neighbouring boroughs enabling a saving through re-commissioning the externally commissioned service.</p> <p>Developing an alternative approach to providing library services by maintaining the size of the libraries network and increasing opening hours through the use of technology. £546k of this is income generated for Family Services through Estates Services.</p> <p>Proposal to remodel the Council's existing youth service, alongside the development of a youth zone, to secure economies of scale and to realise opportunities to generate income.</p>	(194,000)	(1,907,000)	(25,000)	(151,000)
	(744,000)	(2,613,000)	(560,000)	(2,448,000)
<p><u>Reducing Demand, Promoting Independence</u></p> <p>Reduce cost of placements for children in care by growing and strengthening the in-house foster care service; intervening early to prevent placement breakdown, transitioning placements from residential to foster care, and ensuring provision of high quality, competitively priced residential placements in appropriate locations. By 2019 Barnet will have one of the largest proportions of children in care placed with in-house foster carers in the country.</p> <p>Additional social care demand management. This will focus on considering new models for social care practice. These approaches include a focus on preventing periods of accommodation for children and preventing escalation of needs.</p>	(131,000)	(144,000)	(149,000)	(69,000)
	(131,000)	(144,000)	(589,000)	(1,336,000)

Children's Family Service		2016/17	2017/18	2018/19	2019/20
		£	£	£	£
<u>Income</u>	Through the development of the 0-25 integrated service savings through appropriate allocation of education costs for joint placements for children under the age of 18.	(250,000)	(250,000)	(250,000)	(250,000)
	At present the council funds support for Child and Adolescent Mental Health provision in Primary and Secondary schools. It is proposed to remove that investment and develop a more bespoke traded service enabling schools to access required support where necessary.	(430,000)			
	It is proposed to fund children's substance misuse services with the public health grant to support joined up delivery with wider public health services.	(45,000)			
Government is, at present, consulting on a range of proposals to change the approach for people with No Recourse to Public funds. In light of these proposals there will be an opportunity to reduce spending in this area. Proposals to reduce spending on No Recourse to Public Funds will not affect any new asylum seeking families who are likely to receive support from the Government.				(227,000)	
	As part of the on-going work to develop an integrated 0-25 year service, the council will ensure that all eligible children with disabilities and other limiting conditions are receiving continuing care funding from the NHS to better meet their health and care needs.	(150,000)	(150,000)	(200,000)	
		(445,000)	(830,000)	(677,000)	(250,000)
<u>Pressures</u>					
		0	0	0	0
Budget		46,480,663	42,578,663	40,237,663	35,069,663

Children's Family Services

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Adoption	1,173,370	1,447,010	1,447,010
Children in Care Teams	733,470	903,375	905,605
Children's Homes	1,469,520	1,492,600	1,491,970
CSC Specialist Service	308,410	138,730	138,730
Disabled Children	1,978,630	2,212,120	2,212,140
Duty and Assessment	1,682,850	1,895,460	1,897,950
Family Resources Centre	652,580	642,557	642,557
Fostering	3,336,148	3,437,935	3,437,935
Intake and Assessment	272,050	304,090	304,090
Intervention and Planning	1,937,880	3,057,480	3,060,220
Kinship	1,872,062	1,754,690	1,754,690
Onwards & Upwards	1,651,140	1,496,820	1,496,820
Placements	10,740,060	9,869,530	9,338,530
Safeguarding & Quality	1,087,175	1,306,675	1,306,675
Social Care Management	960,310	1,174,958	1,174,958
Children Social Care	29,855,655	31,134,030	30,609,880
Business & Finance Support	1,378,319	1,652,324	1,571,254
Childcare	0	16,270	16,270
Children's Centres	1,216,760	1,643,870	1,533,830
Children's Centres Devolved	1,832,374	1,633,244	1,282,374
Commissioning Management	96,640	112,100	112,100
Communication & Complaints	513,318	739,890	739,890
Community Engagement	62,560	124,995	124,995
Early Years	680,580	464,400	385,940
Early Years Devolved	70,030	71,340	71,340
Early Years Management	86,920	36,400	4,730
Family Focus	609,245	747,960	747,960
Libraries	4,513,630	4,639,820	4,437,940
Performance & Data Management	692,180	757,582	757,582
Positive Activities	258,560	269,170	269,170
Skills, Sports & Play	151,210	152,600	152,440
StrategyInsight & Commissioning	750,345	834,842	625,842
Targeted Youth Support	1,362,745	1,183,580	1,143,580
WF & Community Engagement Mgt	0	123,000	123,000
Workforce Development	497,090	483,585	483,585
YOS	703,470	681,850	681,850
Youth & FS Mgt	0	81,470	81,470
Youth Centres & Equipment	148,810	146,664	146,444
Early Intervention & Preventio	15,624,786	16,596,956	15,493,586
Family Services Management	524,410	745,207	383,757
FS Deactivated Codes	1,712,213	0	(6,560)
Family Services Management	2,236,623	745,207	377,197
Children's Family Services	47,717,064	48,476,193	46,480,663

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	(1,332,905)	(1,340,415)	(343,490)
Employee Related	24,471,166	24,669,944	24,158,154
Premises Related	1,119,874	1,109,224	1,108,514
Secondary Recharges	0	267,160	66,960
Supplies/Services	6,894,294	6,106,700	4,349,435
Third Party Payments	14,526,765	15,448,990	13,905,190
Transfer Payments	4,898,290	5,579,830	5,578,290
Transport Related	565,910	501,180	501,380
Expenditure	51,143,394	52,342,613	49,324,433
Customer & Client Receipts	(1,419,910)	(1,458,250)	(1,284,600)
Government Grants	(760,860)	(1,360,660)	(511,660)
Other Grants, Reimbursements &	(1,245,560)	(1,047,510)	(1,047,510)
Income	(3,426,330)	(3,866,420)	(2,843,770)
Children's Family Services	47,717,064	48,476,193	46,480,663

Budget Summary and Forward Plan

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	9,805,873	19,158,990	17,044,490	13,093,909
Virements	10,393,117			
	20,198,990	19,158,990	17,044,490	13,093,909
<p><u>Efficiencies</u></p> <p>This proposal is to reduce the remaining Council IT spending that does not form part of the Customer & Support Group contract (approximately £1m per annum). This proposal would reduce this by approximately 10% in 2016/17.</p> <p>Budget proposals for 2016-20 include efficiency savings of approximately 2% per annum on third party contracts. This saving comes from Commissioning Group and Assurance contract spending, which include communications and engagement contracts, internal audit and insurance. The overall budget includes provision for price increases of 2.5% per annum, so this saving could be made either from keeping the costs of contracts stable, or through improved contract management and negotiation of better rates.</p> <p>Budget proposals for 2016-20 include workforce efficiency savings of approximately 10% of the relevant staff budgets. As Government funding for council services continues to reduce, delivery units will need to review their workforce budgets to ensure that they can make the required savings. At this stage, it is expected that the 10% saving can be made without impacting on service delivery, but this assumption will need to be tested in the years to 2020. Corporate initiatives such as the review of terms and conditions and the unified pay project will support delivery units to achieve this saving. Delivery units will also need to review performance management, use of agency staff, management layers and productivity to ensure that this saving can be achieved.</p>	(140,000)	(46,000)	(45,000)	(44,000)
	(280,000)	(579,000)	(100,000)	

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Non-renewal of the Council's annual subscription to MOSAIC customer data segmentation programme. MOSAIC is software which allows the Council to model population growth and preferences to help inform policy development. The Customer and Support Group Insight Team uses an identical programme called Call Credit. The proposal is not to renew the subscription to MOSAIC in order to avoid duplication and confusion by using two similar programmes and generate a saving in the process.</p> <p>Budget proposals for 2016-20 include efficiency savings on third party contracts by approximately 2% per annum.</p> <p>The bulk of the adult social care budget (75%) is spent on external contracts for care services with external providers. Of this, the majority is spent on individual support plans for people with eligible social care need which is being addressed through other savings lines below. The remainder of contracts, i.e those not spent on people with eligible needs, £5.5m in total and are being considered under this saving. Proposals are being developed in relation to individual contracts and the changes include commissioning different models of service delivery, terminating contracts, improved contract management and negotiation of better rates for 15/16 contracts.</p> <p>It is now known that the Better Care Fund will continue into 2016/17. Evidence from other parts of the UK indicates that efficiencies can be delivered across health and social care by using social and community care instead of hospital care. This saving is assumed on the following basis: increased joint commissioning and budget pooling with the NHS on a larger scale to deliver savings across the system, with the local authority receiving a proportionate share of the efficiencies achieved.</p>	(9,000)	(431,500)	(395,500)	(280,500)
				(727,000)

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Savings from redesign of Day services and other community support projects which enable people to participate in social and recreational activities outside of the home. This will include a substantial remodelling of day services to promote greater access to community activities and the development of pathways into employment and volunteering. Eligible needs of service users and carers will continue to be met but in different ways.</p> <p>The Customer Access Strategy will use insight about customers and their experiences to design improvements to the council's existing customer services model. It is expected that the strategy will identify a number of opportunities to make savings by directing customers away from face to face, increasing use of the Coventry contact centre, changing service standards and exploring possibilities for income generation.</p> <p>There are a number of opportunities to share services with other local authorities. These services include health and safety, emergency planning, insurance, internal audit and governance. In practice, this saving would involve shared management of these functions between Barnet and another local authority. Similar arrangements are already in place with Harrow Council, Brent Council and other bodies in respect of legal services and public health. No firm proposals are currently in place to deliver this saving, but options are being considered to ensure that this is deliverable before 2018.</p> <p>Senior Management Costs Saving</p>			(500,000)	(500,000)
			(500,000)	(1,000,000)

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Identification of alternative delivery model(s) and / or shared service options, e.g. mutual or trusts, that can reduce the cost of the adult social care system (staffing costs) and then better utilise the demand management levers (e.g. self-management, early intervention, tele care, enablement, creative support planning) to reduce care costs. Savings will be delivered through implementation of an asset based approach to meeting care needs, using local resources to prevent the need for council funded care.</p>		(654,000)	(654,000)	(654,000)
	(475,000)	(1,710,500)	(3,438,081)	(3,205,500)
<u>Service Reductions</u>	0	0	0	0

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p><u>Service Redesign</u></p> <p>Integrated Care for frail elderly/over 50 years with long-term conditions The proposal to develop a 5 tier model to support the development of an integrated health and social care system for older frail people was agreed at the Health and Wellbeing Board in March 2014 and has formed the key element of the Council and CCG's national Better Care Fund plan. Saving is modelled on the impact of reducing demand on acute and residential care by working to reduce unplanned care.</p> <p>Increase income from CCTV service and reduce expenditure so that the service is self funding by the end of the decade</p>	0	(192,500)	(150,000)	(175,000)
<p><u>Reducing Demand, Promoting Independence</u></p> <p>Movement to menu pricing within the North London Waste Authority and waste disposal diversion projects: The current cost of waste disposal is based on a long-standing system where each Council pays an average price per tonne in proportion to its relative size. This payment is made two years in arrears. The introduction of menu pricing will see the Council pay a price per tonne specifically for the type and volume of waste sent for disposal within the year that the disposals occurs. This will incentivise Councils to minimise waste and will generate a saving based on Barnet sending less waste for disposal compared with other members of the North London Waste Authority. Future waste diversion savings are reliant on demand management projects, changes to collection services and the success of communications campaigns.</p>	(1,900,000)	(500,000)	(100,000)	(100,000)
	0	(192,500)	(150,000)	(418,000)

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Revised waste offer to increase recycling: The planned ending of central Government support for weekly refuse collection will necessitate a revised waste collection offer to residents that will need to focus on the delivery of challenging recycling targets. The Council collects residual waste, recyclables, and food waste from all households. The proposal is for a comprehensive and targeted communications and engagement campaign which aims to change resident behaviours and drive up recycling rates in order to reduce collection and disposal costs. This includes making it easier to recycle food waste and compulsory recycling of dry and food waste; increasing recycling in flats by working with managing agents to identify the most suitable mix of containers and limiting the capacity for residual waste. The proposals will be supported by small scale pilot projects, incentive schemes and targeted communications projects. However it may become necessary to go to alternate weekly collection if recycling rates continue to plateau and/or the savings identified are not realised.</p> <p>Implement a 0-25 disabilities service that better brings together health, care and education to ensure that growth is enabled for young people with disabilities.</p> <p>This should reduce the cost to adult social care arising from lower care package costs for those transitioning at the age of 18 over this period than has been the case for past transitions cases. Thorough review of all young people currently placed in residential care and activity is underway to enable young people to move into more independent accommodation options, improving outcomes and reducing cost to the Adult Social Care Budget. Savings from the new ways of working, designed to increase service user independence, are also expected.</p>	(31,000)			(100,000)

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Increasing choice in retirement and for younger disabled adults - investment in an increased advice and support service promoting adaptations and moving to a more suitable home. Savings are based on incremental impact of adaptation/move avoiding costs of enablement, increased homecare and residential care admission for c.20 adults.</p> <p>Use of existing wheelchair accessible housing stock of 21 units to enable people currently in high cost residential, nursing or supported living placements to become more independent ('step down'), through improved working between adult social care and Barnet Homes. The saving is also modelled on a small number of new build wheelchair housing units funded from HRA headroom. The saving is expected from a reduction in the cost of care package following review, preparation and transfer of individuals to more suitable placements, based on an average saving of £25K per year for high cost residential placements, and £10K per year for lower cost placements. Wheelchair accessible housing will be best suited to individuals with physical disabilities, or multiple disabilities and these are the primary cohort. Saving is modelled on people placed, saving the difference between care in one's own home and high cost residential placements.</p> <p>Encourage use of Older people home share schemes (where older people make space in their properties available at no/reduced rent to younger people/ students in return for support with domestic tasks such as cooking, cleaning, shopping etc). This will reduce reliance and requirement for home care and the cost of some care packages and is expected to have a positive impact on loneliness. Saving is based on reducing the uptake of homecare hours for older people and stepping some users down. The saving will be £2k per year for each additional homesharing arrangement (120 homes). Saving will be delivered if home share scheme is targeted at those who would otherwise have those needs met by the Council. However, home share will also be developed as a preventative service in addition.</p>		(90,000)	(85,000)	(85,000)
		(69,500)	(48,500)	(55,000)
		(44,000)	(72,000)	(102,000)

Commissioning	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Brent Cross -Extra Care development of fully integrated service for older people to rent, offering a wide range of services as an alternative to more expensive residential care. 51 units. Saving is modelled on a 10k saving per person per year, based on the difference between the costs of residential care and extra-care. Saving will be achieved if the scheme is targeted at those who would otherwise have their needs met by the council.			(380,000)	(380,000)
Colindale - Extra Care development of fully integrated service for older people to rent, offering a wide range of services as an alternative to more expensive residential care. 51 Units. Saving is modelled on a 10k saving per person per year, based on the difference between the costs of residential care and extra-care. Saving will be achieved if the scheme is targeted at those who would otherwise have their needs met by the council.		(95,000)	(285,000)	
Generating general fund savings from providing specialist integrated housing for older people based on the provision of 52 flats with 50% high needs, 25% medium needs and 25% low needs. Saving is modelled on the difference between unit cost of residential care and extra care for 51 people.		(1,148,500)	(1,120,500)	(822,000)
	(1,931,000)			
	0	0	0	0
	1,366,000	937,000	758,000	1,035,000
	1,366,000	937,000	758,000	1,035,000
	19,158,990	17,044,490	13,093,909	9,683,409

Income

Pressures

North London Waste Authority (NLWA) levy increased pressure

Budget

Commissioning

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Commercial	1,224,210	1,162,566	1,049,180
Commercial & Customer	1,224,210	1,162,566	1,049,180
Commissioning Group	635,974	0	0
Commissioning Group	635,974	0	0
Finance	1,708,801	1,120,331	648,481
Information Management	796,853	879,623	879,623
Programme & Resources	691,013	781,853	918,103
Deputy Chief Operating Officer	3,196,667	2,781,807	2,446,207
Adults and Health	1,000,681	1,258,234	1,258,234
Children & Young people	76,130	365,245	298,231
Environment	1,923,314	12,689,959	12,048,945
Growth & Development	0	308,984	174,956
Strategic Commissioning	3,000,125	14,622,422	13,780,366
Strategic Commissioning Board	705,070	767,950	767,950
Strategic Commissioning Board	705,070	767,950	767,950
Blocked Costcentres CSC	60	0	60
Commissioning Strategy	405,430	240,358	441,340
Communications	638,337	673,887	673,887
Strategy & Communications	1,043,827	914,245	1,115,287
Commissioning	9,805,873	20,248,990	19,158,990

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Asset Capital Accg Charges	1,000	1,000	1,000
Capital Financing	(15,000)	(428,517)	(42,514)
Employee Related	7,559,578	9,572,679	8,569,024
Premises Related	49,170	17,970	17,970
Secondary Recharges	(459,800)	(1,903,437)	(1,666,409)
Supplies/Services	1,841,982	13,508,563	12,597,577
Third Party Payments	2,402,128	2,699,138	2,699,138
Transfer Payments	214,252,660	258,000,000	258,000,000
Transport Related	16,190	18,190	18,190
Expenditure	225,647,908	281,485,586	280,193,976
Customer & Client Receipts	(534,890)	(1,218,020)	(1,249,020)
Government Grants	(211,590,694)	(256,099,206)	(256,099,206)
Interest	45,430	45,430	45,430
Other Grants, Reimbursements & Contributions	(3,761,881)	(3,964,800)	(3,732,190)
Income	(215,842,035)	(261,236,596)	(261,034,986)
Commissioning	9,805,873	20,248,990	19,158,990

Budget Summary and Forward Plan

Customer Support Group	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	20,821,765	22,119,555	20,119,555	19,119,555
Virements	1,297,790			
	22,119,555	22,119,555	20,119,555	19,119,555
<p><u>Efficiencies</u></p> <p>The current Medium Term Financial Strategy for 2014-16 already includes approximately £3m per annum of savings on the cost of office accommodation arising from the exit of North London Business Park Building 4 and the transfer of staff into vacant space in Barnet House and North London Business Park Building 2. Current plans suggest that the total saving from the exit of Building 4 could be more than £3m per annum subject to confirmation of costs of moving and wear and tear. This, along with further savings that could arise as part of a move to Colindale, would generate further savings of approximately £1m per annum by 2017. In addition, changes to the Council's wider estate and opportunities to generate greater income on the commercial portfolio are expected to generate income and savings totalling £1m by 2017.</p> <p>The Council entered into the Customer & Support Group contract for customer and back office services in the autumn of 2013. This contract will deliver a total £125m saving over a 10 year period. This includes a reduction in the cost of back office services of £70m, or £7m per annum (average across the contract). The contract price has already reduced by £6m per annum and forms part of the Council's existing budget and Medium Term Financial Strategy. A further reduction of £2m is anticipated (£1.5m guaranteed in the contract and £0.5m is an expectation of greater savings from the contract review at year 3) meaning that an additional saving can be included in the Council's budget for 2018/19 and 2019/20.</p>		(2,000,000)		
	0	(2,000,000)	(1,000,000)	(1,000,000)

Customer Support Group	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Service Reductions</u>	0	0	0	0
<u>Service Redesign</u>	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>	0	0	0	0
<u>Income</u>	0	0	0	0
<u>Pressures</u>	0	0	0	0
Budget	22,119,555	20,119,555	19,119,555	18,119,555

Customer Support Group

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Building Services	(268,835)	(67,110)	(268,835)
CSG Management Fee	16,836,019	18,463,691	18,001,959
Estates	4,254,581	3,539,234	4,386,431
Other Managed	0	183,740	0
Customer Support Group	20,821,765	22,119,555	22,119,555
Customer Support Group	20,821,765	22,119,555	22,119,555

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Premises Related	6,957,210	6,806,025	7,057,410
Secondary Recharges	0	(400,519)	197,140
Supplies/Services	21,659,273	26,704,217	22,285,513
Expenditure	28,616,483	33,109,723	29,540,063
Customer & Client Receipts	(6,500,698)	(9,696,148)	(6,126,488)
Government Grants	(422,830)	0	(422,830)
Other Grants, Reimbursements & Contributions	(871,190)	(1,294,020)	(871,190)
Income	(7,794,718)	(10,990,168)	(7,420,508)
Customer Support Group	20,821,765	22,119,555	22,119,555

Budget Summary and Forward Plan

HB Law	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	1,752,397 259,000	2,011,397	2,011,397	2,011,397
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0
<u>Income</u>				
	0	0	0	0
<u>Pressures</u>				
	0	0	0	0
Budget	2,011,397	2,011,397	2,011,397	2,011,397

HB LAW

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
HB Law	1,752,397	2,011,397	2,011,397
HB Law	1,752,397	2,011,397	2,011,397
HB LAW	1,752,397	2,011,397	2,011,397

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Secondary Recharges	(173,432)	0	0
Supplies/Services	2,532,229	2,791,229	2,791,229
Expenditure	2,358,797	2,791,229	2,791,229
Customer & Client Receipts	(606,400)	(779,832)	(779,832)
Income	(606,400)	(779,832)	(779,832)
HB LAW	1,752,397	2,011,397	2,011,397

Budget Summary and Forward Plan

Housing Needs Resources	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	3,953,609 1,022,140	4,975,749	4,975,749	4,975,749
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0
<u>Income</u>				
	0	0	0	0
<u>Pressures</u>				
	0	0	0	0
Budget	4,975,749	4,975,749	4,975,749	4,975,749

Housing Needs Resources

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Housing Needs Resources	3,953,609	4,975,749	4,975,749
Housing Needs Resources	3,953,609	4,975,749	4,975,749
Housing Needs Resources	3,953,609	4,975,749	4,975,749
Housing Needs Resources	3,953,609	4,975,749	4,975,749
	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Employee Related	89,400	84,670	84,670
Premises Related	170	0	0
Secondary Recharges	0	140	140
Supplies/Services	3,485,097	3,485,097	3,485,097
Third Party Payments	16,609,000	17,635,900	17,635,900
Expenditure	20,183,667	21,205,807	21,205,807
Customer & Client Receipts	(15,741,808)	(15,741,808)	(15,741,808)
Other Grants, Reimbursements & Contributions	(488,250)	(488,250)	(488,250)
Income	(16,230,058)	(16,230,058)	(16,230,058)
Housing Needs Resources	3,953,609	4,975,749	4,975,749

Budget Summary and Forward Plan

Parking & Infrastructure	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	6,219,169	6,119,479	6,119,479	5,969,479
Virements	100,310			
	6,319,479	6,119,479	6,119,479	5,969,479
<u>Efficiencies</u>				
Street lighting Savings: The current street lighting contract requires the contractor to maintain quality standards relating to lighting levels. Officers will look to reduce management costs by sharing client and back office functions with the London Borough of Enfield and work with the contractor to reduce maintenance costs. Officers will also look at opportunities to reduce energy costs and mitigate the impact of future energy price increases.	(200,000)			
Re-procure the Parking Contract: The current contract for parking and enforcement services is due to expire in 2017. A decision to re-procure the service will allow further cost savings to be identified through sharing services with partnering authorities, making contract management savings using varied specifications or through investing in modern IT systems.			(150,000)	
	(200,000)	0	(150,000)	0
<u>Service Reductions</u>				
	0	0	0	0

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Parking & Infrastructure				
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0
<u>Income</u>				
	0	0	0	0
<u>Pressures</u>				
	0	0	0	0
Budget	6,119,479	6,119,479	5,969,479	5,969,479

Parking & Infrastructure

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Highway Inspection/Maintenance	382,007	353,727	353,727
Parking	(457,750)	(457,750)	(457,750)
Parking & Infrastructure	(75,743)	(104,023)	(104,023)
Special Parking Account	0	0	0
Special Parking Account	0	0	0
Street Lighting	6,294,912	6,423,502	6,223,502
Street Lighting	6,294,912	6,423,502	6,223,502
Parking & Infrastructure	6,219,169	6,319,479	6,119,479

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Asset Capital Accg Charges	1,880	1,880	1,880
Capital Accounting Charges	7,420,775	7,122,445	8,052,445
Employee Related	1,328,339	1,291,169	1,291,169
Premises Related	192,260	192,260	192,260
Secondary Recharges	(143,507)	(141,977)	(141,977)
Supplies/Services	11,209,820	11,644,100	11,444,100
Transport Related	67,790	67,790	67,790
Expenditure	20,077,357	20,177,667	20,907,667
Customer & Client Receipts	(13,858,188)	(13,858,188)	(14,788,188)
Income	(13,858,188)	(13,858,188)	(14,788,188)
Parking & Infrastructure	6,219,169	6,319,479	6,119,479

Budget Summary and Forward Plan

Public Health	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	14,335,000 4,209,000	18,544,000	18,544,000	18,544,000
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0
<u>Income</u>				
	0	0	0	0
<u>Pressures</u>				
	0	0	0	0
Budget	18,544,000	18,544,000	18,544,000	18,544,000

Public Health

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Public Health	14,335,000	15,835,000	18,544,000
Public Health	14,335,000	15,835,000	18,544,000
Public Health	14,335,000	15,835,000	18,544,000

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Third Party Payments	14,335,000	15,835,000	18,544,000
Expenditure	14,335,000	15,835,000	18,544,000
Public Health	14,335,000	15,835,000	18,544,000

Budget Summary and Forward Plan

Regional Enterprise	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	730,197 403,760	(1,119,043)	(5,481,043)	(11,113,043)
	1,133,957	(1,119,043)	(5,481,043)	(11,113,043)
<u>Efficiencies</u>				
Contract Negotiations: There is a potential opportunity for additional savings from the Re contract, or for additional income to be generated from these contracts over and above the contractual guarantee. £500k represents about 5% of the gross spend on Re services, and it is considered that this is a realistic target for additional savings for 2018/19 as part of the mid term contract review.			(500,000)	
Reduction in highways reactive maintenance costs: The Council has invested £50 million in planned maintenance for a five year period from 2015/16. It is anticipated that the investment will reduce on-going reactive maintenance costs. The proposal will be supported by increased enforcement action against builders and developers who damage the highway by enforcing the Council's policy on footway parking.				(550,000)
<u>Service Reductions</u>	0	0	(500,000)	(550,000)
<u>Service Redesign</u>	0	0	0	0
	0	0	0	0

Regional Enterprise	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Reducing Demand, Promoting Independence</u>				
<u>Growth & Income</u>	0	0	0	0
The Council's regeneration schemes are projecting and increase in Council Tax and Business Rates over the period 2016- 2020. This increase is above current baseline predictions, so can be used to support the Council's budget.	(2,253,000)	(3,362,000)	(5,132,000)	(48,000)
A number of development opportunities are being considered that are not included in the current regeneration programme, which could create additional capital receipts that would reduce the Council's future borrowing requirements. They could also generate additional Council Tax revenues. Finally, they could generate rents or dividends through the Council taking a development role, either directly or via a Joint Venture. These proposals will come forward through the Assets, Regeneration and Growth Committee.	(1,000,000)			
<u>Pressures</u>	(2,253,000)	(4,362,000)	(5,132,000)	(48,000)
	0	0	0	0
Budget	(1,119,043)	(5,481,043)	(11,113,043)	(11,711,043)

Regional Enterprise

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
RE Guaranteed Income	0	(14,749,463)	(14,661,463)
RE Managed Budgets	1,095,332	1,144,852	1,056,852
RE Projects	49,520	0	0
Re Managed Budgets	1,144,852	(13,604,611)	(13,604,611)
RE Management Fee	(414,655)	14,738,568	14,738,568
Re Management Fee	(414,655)	14,738,568	14,738,568
Regional Enterprise	730,197	1,133,957	1,133,957
Additional income from Council Tax			(2,253,000)
Regional Enterprise Total			(1,119,043)

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	0	(150,000)	(150,000)
Employee Related	0	910	910
Premises Related	0	5,810	5,810
Secondary Recharges	(2,339,000)	(2,336,960)	(2,336,960)
Supplies/Services	14,224,676	23,106,418	23,106,418
Third Party Payments	0	0	0
Expenditure	11,885,676	20,626,178	20,626,178
Customer & Client Receipts	(9,029,164)	(14,749,463)	(14,749,463)
Government Grants	(4,000)	0	0
Interim Budgets	(1,285,325)	(1,285,325)	(1,285,325)
Other Grants, Reimbursements & Contributions	(836,990)	(3,457,433)	(3,457,433)
Income	(11,155,479)	(19,492,221)	(19,492,221)
Regional Enterprise	730,197	1,133,957	1,133,957
Additional income from Council Tax			(2,253,000)
Regional Enterprise Total			(1,119,043)

Budget Summary and Forward Plan

Streetscene	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	14,013,753	13,895,663	12,350,663	11,175,663
Virements	841,910			
	14,855,663	13,895,663	12,350,663	11,175,663
<p>Efficiencies</p> <p>Improving fleet efficiency: The service will continue to reduce the unit cost of maintenance by making procurement processes more competitive and increasing the effectiveness and efficiency of the fleet e.g. through increased preventative maintenance resulting in fewer unplanned repairs. The savings are based on the complete London Borough of Barnet fleet.</p> <p>Service changes and Community Engagement Regarding Parks Services: Under this proposal the management of bowling greens would transfer from the council's responsibility to a range of locally-based community organisations, the delivery of annual bedding planting would either cease or transfer to "adopt a place" schemes. In addition, officers will look to return areas of parks and open spaces to "natural" areas and so reduce the level of maintenance as well as revising highway grass cutting frequencies and improving scheduling</p> <p>Household Waste Recycling Centre to transfer to NLWA: Under this proposal the ownership on a lease and management of the Summers Lane Recycling Centre has been transferred to the North London Waste Authority.</p> <p>Creation of a shared mortuary service: The council has developed a shared service arrangement with neighbouring boroughs to deliver operational efficiencies, raise revenue by disposing of the Finchley Mortuary at a competitive price and continue to maintain a high standard of service.</p>	(125,000)	(345,000)		
	(50,000)			
	(80,000)			
	(45,000)			

Streetscene	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Review of Street Cleansing Services: Reduction in Street Cleansing frequencies by reducing overall number of operational teams. Detailed proposals will determine areas that might be suitable for reductions including :- Fly-tip frequencies, frequency of Deep Cleanse, extension of litter picking and monitoring intervals and Town Centre servicing. There will be a corresponding change to levels of supervision including utilising the latest technology to design better routes and monitor them more effectively. Officers will introduce an increased level of enforcement activity to reduce the need for street cleansing in areas of littering and fly tipping and greater use will be made of people serving community sentences.</p> <p>Increased Productivity and Reduction of Overheads: Restructure of the Street Scene business model - options may include a social enterprise, mutual, shared service or outsourcing for Waste, Recycling, Street Cleansing and Grounds Maintenance services. A decision about a future alternative model will be subject to a full detailed business case and options appraisals, including a comparison with the costs and quality of the in-house service.</p>	(150,000)	(600,000)	(450,000)	
Service Reductions	(450,000)	(1,195,000)	(450,000)	0
Service Redesign	0	0	0	0
	0	0	0	0

Streetscene	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p><u>Reducing Demand, Promoting Independence</u></p> <p>Revised waste offer to increase recycling: The planned ending of central Government support for weekly refuse collection will necessitate a revised waste collection offer to residents that will need to focus on the delivery of challenging recycling targets. The Council collects residual waste, recyclables, and food waste from all households. The proposal is for a comprehensive and targeted communications and engagement campaign which aims to change resident behaviours and drive up recycling rates in order to reduce collection and disposal costs. This includes making it easier to recycle food waste and compulsory recycling of dry and food waste; increasing recycling in flats by working with managing agents to identify the most suitable mix of containers and limiting the capacity for residual waste. The proposals will be supported by small scale pilot projects, incentive schemes and targeted communications projects. However it may become necessary to go to alternate weekly collection if recycling rates continue to plateau and/or the savings identified are not realised.</p> <p>Reduce Demand for Services through targeted enforcement and Education - increase the investment in enforcement and public communication activities to reduce the amount of fly tipping, littering and ASB - provides a reduction in overall operating costs and a small revenue stream above investment costs.</p>		(50,000)	(200,000)	(200,000)
	0	(75,000)	(225,000)	(200,000)

Streetscene	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Income				
Invest in 3G Pitches (x3): This proposal will see the Council secure additional investment (in partnership with funding bodies such as The Football Foundation) in modern 3G sports pitches across the borough. The Council will benefit from a mechanism for sharing the additional income generated from new pitches with any delivery partner.			(100,000)	
Income generation from Non-Statutory Waste Services: A challenging income generation target across a range of chargeable services including but not limited to: bulky waste collection, special collections, additional collections, and the identification of new services where charging the user more in order to offset the impact of wider budget reductions is appropriate. To be delivered through a fundamental review of all transactional services e.g. development of the trade and commercial waste services including recycling and a review of commercial activity to identify new or improved income opportunities. Further work to be done with commercial waste to both obtain contracts and offer recycling services.	(50,000)	(200,000)	(300,000)	(1,000,000)
Improve service Efficiencies to Reduce Growth Demand: Current budget forecasts include growth related to the new developments to waste collection and recycling service. Service efficiencies will be introduced to absorb additional work within the current workforce	(360,000)	(75,000)		
Increased Productivity and Reduction of Overheads: Develop a range of alternative management models for parks and open spaces including trusts, management by friends groups and volunteers. Ensure that all costs are recovered from External Agencies such as Barnet Homes and ensure that suitable specifications are in place.	(100,000)		(100,000)	(100,000)
	(510,000)	(275,000)	(500,000)	(1,100,000)
Pressures				
	0	0	0	0
Budget	13,895,663	12,350,663	11,175,663	9,875,663

Streetscene

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Business Improvement	335,131	264,227	264,227
Business Improvement	335,131	264,227	264,227
Mortuary	141,010	144,070	99,070
Transport	(178,820)	(199,030)	(327,530)
Contract Management	(37,810)	(54,960)	(228,460)
Green Spaces	4,711,982	4,631,022	4,329,682
Green Spaces	4,711,982	4,631,022	4,329,682
Street Cleansing	3,750,550	3,597,450	3,526,540
Parks, Street Cleaning & Groun	3,750,550	3,597,450	3,526,540
Street Scene Management	649,661	652,091	652,091
Street Scene Management	649,661	652,091	652,091
Recycling	69,810	1,117,858	1,021,398
Trade Waste	(1,622,851)	(1,921,985)	(1,929,805)
Waste	6,157,280	6,724,730	6,259,990
Waste & Recycling	4,604,239	5,920,603	5,351,583
Streetscene	14,013,753	15,010,433	13,895,663

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Asset Capital Accg Charges	26,820	16,820	16,820
Employee Related	13,389,110	13,688,316	13,015,546
Premises Related	1,497,995	1,448,345	1,448,345
Secondary Recharges	(6,550,471)	(6,778,413)	(6,778,413)
Supplies/Services	2,743,535	2,989,652	2,889,652
Third Party Payments	383,260	4,945	4,945
Transport Related	9,760,938	9,767,438	9,625,438
Expenditure	21,251,187	21,137,103	20,222,333
Customer & Client Receipts	(5,409,434)	(4,364,670)	(4,564,670)
Government Grants	(1,828,000)	(1,762,000)	(1,762,000)
Income	(7,237,434)	(6,126,670)	(6,326,670)
Streetscene	14,013,753	15,010,433	13,895,663

Budget Summary and Forward Plan

Special Parking Account	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	(7,420,775) 298,330	(8,052,445)	(8,322,445)	(8,562,445)
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0
<u>Income</u>				
Income generation from a full review of fees and charges across all Environmental Committee business areas. This will include making sure that all fees are collected.	(930,000)	(270,000)	(240,000)	(130,000)
<u>Pressures</u>				
	0	0	0	0
Budget	(8,052,445)	(8,322,445)	(8,562,445)	(8,692,445)

Revenue Budget 2016-2017

Special Parking Account

	2015-2016		2015-2016		2016-2017	
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate
	£	£	£	£	£	£
Income						
Penalty Charge Notices	(6,635,010)	(6,615,010)	(6,615,010)	(6,615,010)	(6,615,010)	(6,615,010)
Permits	(2,220,000)	(2,220,000)	(2,220,000)	(2,220,000)	(2,550,000)	(2,550,000)
Pay & Display	(3,060,000)	(3,080,000)	(3,080,000)	(3,080,000)	(3,080,000)	(3,080,000)
CCTV Bus lanes	(870,000)	(870,000)	(870,000)	(870,000)	(1,470,000)	(1,470,000)
Total Income	(12,785,010)	(12,785,010)	(12,785,010)	(12,785,010)	(13,715,010)	(13,715,010)
Operating Expenditure	5,364,235	5,662,565	5,662,565	5,662,565	5,662,565	5,662,565
Net Operating Surplus	(7,420,775)	(7,122,445)	(7,122,445)	(7,122,445)	(8,052,445)	(8,052,445)
Add Capital Expenditure / Debt Charge						
Net Expenditure in Year	(7,420,775)	(7,122,445)	(7,122,445)	(7,122,445)	(8,052,445)	(8,052,445)
Balance brought forward	0	0	0	0	0	0
Appropriation to General Fund	7,420,775	7,122,445	7,122,445	7,122,445	8,052,445	8,052,445
Balance Carried Forward	0	0	0	0	0	0

The SPA is a ringfenced statutory account covering the estimated impact of implementing On-Street Parking and Council on 4 November 1997 noted that the provision of further off-street parking places was unnecessary for the time. The net projected surplus on the SPA is available for implementation of parking schemes and as a general support for

HOUSING REVENUE ACCOUNT		
	2015/16	2016/17
	Original Budget	Original Budget
Income	£	£
Dwelling rents	(53,758,196)	(50,604,854)
Non-dwelling rents	(1,744,813)	(1,613,781)
Tenants Charges for services and facilities	(3,800,417)	(3,927,160)
Leaseholder Charges for Services and Facilities	(2,951,326)	(3,049,752)
Grants and other income	0	(1,274,486)
Total Income	(62,254,752)	(60,470,033)
Expenditure		
Repairs and Maintenance	7,550,000	7,701,000
Supervision and management		
General	13,962,664	14,503,736
Special	6,756,617	6,834,476
Rents, Rates, taxes and other charges	121,500	430,535
Depreciation and impairment of fixed assets	12,866,805	12,837,638
Contribution to Major Repairs Reserve	19,185,195	8,313,362
Impairment write off for HRA commercial properties	820,000	820,000
Debt Management Costs	6,688,827	7,413,628
Increase in bad debt provision	615,000	516,376
Total Expenditure	68,566,608	59,370,752
Net Cost of HRA Services	6,311,857	(1,099,281)
Interest and investment income	(80,360)	(147,197)
(Surplus) or deficit for the year on HRA services	6,231,497	(1,246,477)

Appendix 3: Revenue Budget 2016/17

<u>Council Theme Committee</u>	2015/2016		2016/2017	
	Original Estimate	Current Estimate	Original Estimate	Original Estimate
	£	£	£	£
Adults & Safeguarding Committee	82,816,807	87,636,348	86,824,504	
Assets, Regeneration & Growth	6,156,615	296,312	(256,656)	
Children, Education, Libraries & Safeguarding	53,945,241	56,104,451	53,847,107	
Community Leadership Committee	2,372,352	2,270,420	2,259,420	
Environment Committee	20,913,599	40,277,106	38,242,322	
Housing Committee	3,953,609	4,698,069	4,698,069	
Policy & Resources	99,392,917	77,970,104	77,929,200	
Public Health	14,335,000	15,835,000	18,544,000	
Special Parking Account	(7,420,775)	(7,122,445)	(8,052,445)	
Additional income from Council Tax			(2,253,000)	
Total	276,465,365	277,965,365	271,782,521	

REVENUE BUDGET 2016/17

BUDGET	2015/2016 Original	2015/2016 Current	2016/2017 Original
	£	£	£
Total Service Expenditure	276,465,365	277,965,365	271,782,521
Contribution to / (from) Specific Reserves	6,461,288	6,461,288	10,735,156
NET EXPENDITURE	282,926,653	284,426,653	282,517,677
Other Grants	(32,038,000)	(33,538,000)	(38,829,000)
BUDGET REQUIREMENT	250,888,653	250,888,653	243,688,677
Business Rates Retention	(35,191,000)	(35,191,000)	(35,484,000)
Business rates top-up	(18,114,000)	(18,114,000)	(18,265,000)
BUSINESS RATES INCOME	(53,305,000)	(53,305,000)	(53,749,000)
RSG	(50,444,000)	(50,444,000)	(36,849,000)
Collection Fund Adjustments	(1,500,000)	(1,500,000)	(3,636,000)
Additional income from Council Tax			2,253,000
BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT	145,639,653	145,639,653	151,707,677
Greater London Authority - Precept	38,984,545	38,984,545	37,349,424
COUNCIL TAX REQUIREMENT	184,624,198	184,624,198	189,057,101
Components of the Council Tax (Band D)	2015/2016	2016/17	Increase
	£	£	
Mayors Office for Policing and Crime	211.19	192.19	(9.00%)
London Fire & Emergency Planning Authority	48.55	48.55	0.00%
Mayor, Administration, Transport for London, Olympic Games and Boroughs' Collection Fund balances.	35.25	35.25	0.00%
Greater London Authority	295.00	276.00	(6.44%)
London Borough of Barnet	1,102.07	1,121.07	1.72%
Total	1,397.07	1,397.07	(0.00%)

REVENUE BUDGET 2016/17

COUNCIL TAX SUMMARY

Council Tax Bands (based on property values @ 1 April 1991)	2015/16	2016/17	Tax Yield
	£	£	£
[Up to £40,000]	931.38	931.38	1,835,741
[Over £40,000 & up to £52,000]	1,086.61	1,086.61	6,215,301
[Over £52,000 & up to £68,000]	1,241.84	1,241.84	24,093,621
[Over £68,000 & up to £88,000]	1,397.07	1,397.07	36,330,591
[Over £88,000 & up to £120,000]	1,707.53	1,707.53	42,666,872
[Over £120,000 & up to £160,000]	2,017.99	2,017.99	33,946,285
[Over £160,000 & up to £320,000]	2,328.45	2,328.45	33,320,306
[Over £320,000]	2,794.14	2,794.14	10,648,384
			189,057,101

COUNCIL TAXBASE

Council Taxbase	2015/2016	2016/2017	Income
	Band D Equivalents	Band D Equivalents	
Total properties (per Valuation List)	166,725	168,206	234,995,558
Exemptions	(2,648)	(2,454)	(3,428,410)
Disabled reductions	(115)	(112)	(156,472)
Discounts (10%, 25% & 50%)	(31,571)	(28,938)	(40,428,412)
Adjustments	1,677	605	845,227
Aggregate Relevant Amounts	134,068	137,307	191,827,491
Non-Collection (1.5% both years)	(1,998)	(2,060)	(2,877,964)
Contributions in lieu from MoD	81	77	107,574
	132,151	135,324	189,057,101

Budget Summary and Forward Plan

Adults & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	82,816,807	86,824,504	83,753,204	80,750,404
Virements	4,819,541			
	87,636,348	86,824,504	83,753,204	80,750,404
<p><u>Efficiencies</u></p> <p>Budget proposals for 2016-20 include efficiency savings on third party contracts by approximately 2% per annum.</p> <p>The bulk of the adult social care budget (75%) is spent on external contracts for care services with external providers. Of this, the majority is spent on individual support plans for people with eligible social care need which is being addressed through other savings lines below. The remainder of contracts, i.e those not spent on people with eligible needs, £5.5m in total and are being considered under this saving. Proposals are being developed in relation to individual contracts and the changes include commissioning different models of service delivery, terminating contracts, improved contract management and negotiation of better rates for 15/16 contracts.</p> <p>Last year's budget proposals for 2016-20 included workforce savings spread equally over four years. These have now been brought forward to deliver an earlier saving. An element of the saving can be mitigated through improved productivity and efficiency, in particular through the implementation of an improved case management IT system and changes to the assessment process. The proposals will include reviewing management roles, skills mix (i.e. reducing qualified social workers and having more unqualified social workers) and back office efficiencies.</p>				
	(400,000)	(863,000)	(791,000)	(561,000)
	(1,088,000)	(400,000)		(213,000)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Adults & Safeguarding</p> <p>Identification of alternative delivery model(s) and / or shared service options, e.g. mutual or trusts, that can reduce the cost of the adult social care system (staffing costs) and then better utilise the demand management levers (e.g. self-management, early intervention, tele care, enablement, creative support planning) to reduce care costs. Savings will be delivered through implementation of an asset based approach to meeting care needs, using local resources to prevent the need for council funded care.</p> <p>It is now known that the Better Care Fund will continue into 2016/17. Evidence from other parts of the UK indicates that efficiencies can be delivered across health and social care by using social and community care instead of hospital care. This saving is assumed on the following basis: increased joint commissioning and budget pooling with the NHS on a larger scale to deliver savings across the system, with the local authority receiving a proportionate share of the efficiencies achieved.</p> <p>Savings from redesign of Day and Supported Living services including substantial remodelling with a focus on employment and social inclusion. Options being developed include: re-commissioning supported living to achieve contract efficiencies: re-modelling Barnet Independent Living Services (BILS) and Community Space, with reduced day centre operations, more access to community activities and the development of pathways into employment and volunteering. Eligible needs of service users and carers will continue to be met but in different ways.</p>		(654,000)	(654,000)	(654,000)
	(1,488,000)	(1,917,000)	(1,945,000)	(2,655,000)

Adults & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Service Reductions</u>	0	0	0	0
<u>Service Redesign</u>		(385,000)	(300,000)	(350,000)
<p>Integrated Care for frail elderly/over 50 years with long-term conditions</p> <p>The proposal to develop a 5 tier model to support the development of an integrated health and social care system for older frail people was agreed at the Health and Wellbeing Board in March 2014 and has formed the key element of the Council and CCG's national Better Care Fund plan. Saving is modelled on the impact of reducing demand on acute and residential care by working to reduce unplanned care.</p> <p>Increased use of assistive technology (e.g. sensors, alarms, monitoring systems) both in individuals homes and in residential and nursing care providers, is expected to lead to a reduction in care package costs (e.g. reduction in requirement for waking/sleeping nights). This could be delivered through partnering with a telecare provider to provide large scale telecare services.</p> <p>Following full implementation of the new mental health social work model to provide better services for users, the intention is to deliver further savings to high cost placements, workforce reconfiguration and longer term demand management for latter half of 4 year MTFs. The Saving is modelled on projections for demand of mental health care, the intended impact of demand management and reduction in crisis care admissions to hospital.</p>	0	(500,000)	(500,000)	(250,000)
	0	(885,000)	(1,050,000)	(600,000)

Adults & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p><u>Reducing Demand, Promoting Independence</u></p> <p>Continuation and further development of work to deliver savings through supporting older people in alternative ways, such as care in the community, instead of high cost care packages and residential placements. This will be applied to existing and new service users and will lead to increased use of universal services, enablement, telecare, equipment and direct payments which cost less than traditional home care and residential care. Service users will therefore receive lower personal budgets whilst ensuring that eligible needs are met. The savings will be delivered by social workers incorporating elements in care and support plans which cost less than traditional care or that do not require Council funding. This might include support from volunteers, local clubs or local libraries, for example.</p> <p>An intensive evidence-based model of support for Barnet carers of people with dementia, in order to increase carer sustainability, delay residential care and manage adult social care demand. The saving is modelled on 10 couples and was developed and consulted on as part of the priorities and spending review process in 2013/14 and the adults and safeguarding commissioning plan.</p> <p>The programme to deliver support to sustain carers of people with dementia to stay in their own homes will be developed internally.</p> <p>Generating general fund savings from providing specialist integrated housing for older people based on the provision of 52 flats with 50% high needs, 25% medium needs and 25% low needs. Saving is modelled on the difference between unit cost of residential care and extra care for 51 people.</p>	(350,000)	(350,000)	(350,000)	(180,000)

Adults & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Implement a 0-25 disabilities service that better brings together health, care and education to ensure that growth is enabled for young people with disabilities.</p> <p>This should reduce the cost to adult social care arising from lower care package costs for those transitioning at the age of 18 over this period than has been the case for past transitions cases. Thorough review of all young people currently placed in residential care and activity is underway to enable young people to move into more independent accommodation options, improving outcomes and reducing cost to the Adult Social Care Budget. Savings from the new ways of working, designed to increase service user independence, are also expected.</p> <p>Support to help people remain caring and in work by increasing support to carers and employers in the borough enabling carers to remain in work and caring by achieving a 0.5% retention rate (c.14 carers). Savings are from cost avoidance of increased homecare support. This is a continuation of previous carers offer savings.</p> <p>Increasing choice in retirement and for younger disabled adults - investment in an increased advice and support service promoting adaptations and moving to a more suitable home. Savings are based on incremental impact of adaptation/move avoiding costs of enablement, increased homecare and residential care admission for c.20 adults.</p> <p>Develop methods of increasing numbers of personal assistants in Barnet, as an alternative to home care agencies. Service users directly employ the personal assistant and therefore are able to personalise and control their care and support to a very high level. Savings are based on lower unit costs than home care agencies but assume all PAs are paid the LLW. Saving is modelled on 78,000 hours of home care being provided by PAs instead of home care agencies.</p>	(300,000)	(350,000)	(150,000)	(100,000)

Adults & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Review support packages and develop support plans to meet needs at a lower cost. This is likely to include the following:- Increase the supply and take-up of supported living and independent housing opportunities - Supporting transitions to the above for people currently in residential care- Ensure that the review and support planning process is more creative and cost effective- Ensure that this considers how technology can enable people with disabilities to live more independently.</p> <p>Work has taken place to identify and review service users in placements who are suitable to step down from residential to supported living. Eligible needs will still be met. These savings are based on an audit of mental health service users currently in high cost residential placements who have been identified as suitable for more independent living (20 users).</p> <p>Remove the Council subsidy for the home meals service on expiry of the current contract and put in place alternative arrangements which actively enable service users to self arrange meals provision which meets individual and cultural needs in a safe way.</p> <p>Use of existing wheelchair accessible housing stock of 21 units to enable people currently in high cost residential, nursing or supported living placements to become more independent ('step down'), through improved working between adult social care and Barnet Homes. The saving is also modelled on a small number of new build wheelchair housing units funded from HRA headroom. The saving is expected from a reduction in the cost of care package following review, preparation and transfer of individuals to more suitable placements, based on an average saving of £25K per year for high cost residential placements, and £10K per year for lower cost placements. Wheelchair accessible housing will be best suited to individuals with physical disabilities, or multiple disabilities and these are the primary cohort. Saving is modelled on people placed, saving the difference between care in one's own home and high cost residential placements.</p>	<p>(700,000)</p> <p>(280,000)</p> <p>(83,000)</p>	<p>(450,000)</p> <p>(500,000)</p> <p>(139,000)</p>	<p>(350,000)</p> <p>(97,000)</p>	<p>(200,000)</p> <p>(110,000)</p>

Adults & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Encourage use of Older people home share schemes (where older people make space in their properties available at no/reduced rent to younger people/ students in return for support with domestic tasks such as cooking, cleaning, shopping etc). This will reduce reliance and requirement for home care and the cost of some care packages and is expected to have a positive impact on loneliness. Saving is based on a reducing the uptake of homecare hours for older people and stepping some users down. The saving will be £2k per year for each additional homesharing arrangement (120 homes). Saving will be delivered if home share scheme is targeted at those who would otherwise have those needs met by the Council. However, home share will also be developed as a preventative service in addition.</p> <p>Extra Care development of fully integrated service for older people to rent, offering a wide range of services as an alternative to more expensive residential care. 51 units. Saving is modelled on a 10k saving per person per year, based on the difference between the costs of residential care and extra-care. Saving will be achieved if the scheme is targeted at those who would otherwise have their needs met by the council.</p> <p>Extra Care development of fully integrated service for older people of 51 Units. Saving is modelled on a 10k saving per person per year, based on the difference between the costs of residential care and extra-care. Saving will be achieved if the scheme is targeted at those who would otherwise have their needs met by the council.</p>	(22,000)	(44,000)	(72,000)	(102,000)
	(1,895,000)	(2,609,300)	(2,165,800)	(1,242,000)
<u>Growth and Income</u>	0	0	0	0
<u>Pressures</u>	2,571,156	2,340,000	2,158,000	2,330,000
<p>Adults social care pressures (Precept)</p> <p>Demographics pressures due to general trends and price as well as transitions of children joining adult service areas</p>	2,571,156	2,340,000	2,158,000	2,330,000
<u>Budget</u>	86,824,504	83,753,204	80,750,404	78,583,404

Adults & Safeguarding Committee

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Care Quality	1,061,943	1,074,603	1,074,603
Customer Care	748,382	348,725	234,275
Integrated care - LD & MH	38,533,652	40,527,390	40,587,214
Integrated care - OP & DP	35,610,181	35,665,124	35,609,356
Safeguarding	731,111	733,091	603,751
Social Care Management	595,910	411,845	411,845
Adults Social Care	77,281,179	78,760,778	78,521,044
Community Well-being	(1,063,790)	391,460	549,070
Customer Finance	785,999	827,189	719,079
Performance & Improvement	1,024,365	767,135	575,755
Prevention & Well Being	3,603,173	5,445,112	5,014,882
Community Well-being	4,349,747	7,430,896	6,858,786
Dir Adult Soc Serv & Health	185,200	186,440	186,440
Dir Adult Soc Serv & Health	185,200	186,440	186,440
Adults and Health	1,000,681	1,258,234	1,258,234
Strategic Commissioning	1,000,681	1,258,234	1,258,234
Adults & Safeguarding Committee	82,816,807	87,636,348	86,824,504

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Asset Capital Accg Charges	1,000	1,000	1,000
Capital Financing	0	(161,336)	(27,514)
Employee Related	13,376,912	16,421,761	15,203,709
Premises Related	64,025	49,068	49,068
Secondary Recharges	23,150	57,553	57,553
Supplies/Services	6,887,607	10,184,431	9,784,431
Third Party Payments	76,760,182	75,088,451	75,577,527
Transfer Payments	6,862,732	14,372,999	14,372,999
Transport Related	1,231,197	1,282,389	1,282,389
Expenditure	105,206,805	117,296,316	116,301,162
Customer & Client Receipts	(12,227,147)	(11,069,875)	(10,886,565)
Government Grants	(62,300)	(2,304,094)	(2,304,094)
Other Grants, Reimbursements & Contributions	(10,100,551)	(16,285,999)	(16,285,999)
Income	(22,389,998)	(29,659,968)	(29,476,658)
Adults & Safeguarding Committee	82,816,807	87,636,348	86,824,504

Budget Summary and Forward Plan

Assets, Regeneration & Growth	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	6,156,615 (6,413,271)	(2,509,656)	(8,871,656)	(14,003,656)
	(256,656)	(2,509,656)	(8,871,656)	(14,003,656)
<u>Efficiencies</u> The current Medium Term Financial Strategy for 2014-16 already includes approximately £3m per annum of savings on the cost of office accommodation arising from the exit of North London Business Park Building 4 and the transfer of staff into vacant space in Barnet House and North London Business Park Building 2. Current plans suggest that the total saving from the exit of Building 4 could be more than £3m per annum subject to confirmation of costs of moving and wear and tear. This, along with further savings that could arise as part of a move to Colindale, would generate further savings of approximately £1m per annum by 2017. In addition, changes to the Council's wider estate and opportunities to generate greater income on the commercial portfolio are expected to generate income and savings totalling £1m by 2017.	(2,000,000)			
	0	(2,000,000)	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0

Assets, Regeneration & Growth	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p><u>Growth and Income</u> The Council's regeneration schemes are projecting and increase in Council Tax and Business Rates over the period 2016- 2020. This increase is above current baseline predictions, so can be used to support the Council's budget.</p> <p>A number of development opportunities are being considered that are not included in the current regeneration programme, which could create additional capital receipts that would reduce the Council's future borrowing requirements. They could also generate additional Council Tax revenues. Finally, they could generate rents or dividends through the Council taking a development role, either directly or via a Joint Venture. These proposals will come forward through the Assets, Regeneration and Growth Committee.</p>	(2,253,000)	(3,362,000)	(5,132,000)	(48,000)
	(2,253,000)	(4,362,000)	(5,132,000)	(48,000)
<p><u>Pressures</u></p>	0	0	0	0
Budget	(2,509,656)	(8,871,656)	(14,003,656)	(14,051,656)

Assets, Regeneration & Growth

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Building Services	(268,835)	(67,110)	(268,835)
Estates	6,375,930	6,776,045	6,470,830
Customer Support Group	6,107,095	6,708,935	6,201,995
RE Guaranteed Income	0	(6,721,607)	(6,633,607)
RE Projects	49,520	0	0
Re Managed Budgets	49,520	(6,721,607)	(6,633,607)
Growth & Development	0	308,984	174,956
Strategic Commissioning	0	308,984	174,956
Assets, Regeneration & Growth	6,156,615	296,312	(256,656)
Additional income from Council Tax			(2,253,000)
Assets, Regeneration & Growth Total			(2,509,656)

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	0	(149,071)	0
Employee Related	0	736,190	319,063
Premises Related	6,709,210	6,776,045	6,779,430
Secondary Recharges	0	(278,135)	(119,427)
Supplies/Services	49,520	3,431,433	3,431,433
Expenditure	6,758,730	10,516,462	10,410,499
Customer & Client Receipts	(602,115)	(6,788,717)	(7,235,722)
Other Grants, Reimbursements & Contributions	0	(3,431,433)	(3,431,433)
Income	(602,115)	(10,220,150)	(10,667,155)
Assets, Regeneration & Growth	6,156,615	296,312	(256,656)
Additional income from Council Tax			(2,253,000)
Assets, Regeneration & Growth Total			(2,509,656)

Budget Summary and Forward Plan

Children's Education, Libraries & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	53,945,241	53,847,107	51,398,559	50,110,522
Virements	1,972,866			
	55,918,107	53,847,107	51,398,559	50,110,522
Efficiencies	(381,000)	(135,000)	(134,000)	(188,000)
<p>Budget proposals for 2016-20 include efficiency savings on third party contracts. The overall budget has extra built in to allow for increases in the prices charged by suppliers. This savings would be achieved by improving contract management and negotiating better rates across a range of services.</p> <p>Proposal to save money by commissioning different models of service delivery and ceasing contracts, improved contract management and negotiating better rates.</p> <p>The contracts include Independent Reviewing Officers, early intervention commissioned services and recently concluded procurements.</p> <p>Proposal to reduce spending on work related travel and on agency staff. This includes a small reconfiguration of some back office functions. The recruitment and retention approach being implemented in Family Services will support the reduction in agency spend; there are opportunities to save money on travel through purchasing arrangements and better planning of required travel. The savings are in the context of significant reductions in the workforce in the past year.</p>	(285,000)			
	(666,000)	(315,000)	(365,000)	(334,000)

Children's Education, Libraries & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Service Reform</p> <p>Savings through implementing an Early Years Review aimed at ensuring early years services function effectively in the face of limited resources. Use of public health grant to fund service levels above the statutory minimum (£1.5m), intervening early before needs escalate.</p> <p>Proposal to reconfigure Early Years, building on the locality model and further integrating services. The integration of services will include looking at different ways of delivering some elements of the Healthy Child Programme through Children's Centres.</p> <p>Developing an alternative approach to providing library services by maintaining the size of the libraries network and increasing opening hours through the use of technology. £546k of this is income generated for Family Services through Estates Services.</p> <p>Following the implementation of the libraries review the implementation will be monitored to see if additional income over and above the present model is being delivered. If not alternative savings will need to be found</p> <p>Developing joined up Child and Adolescent Mental Health provision with neighbouring boroughs enabling a saving through re-commissioning the externally commissioned service.</p> <p>Proposal to remodel the Council's existing youth service, alongside the development of a youth zone, to secure economies of scale and to realise opportunities to generate income.</p>	(550,000)	(506,000)	(535,000)	(74,000)
	(194,000)	(1,907,000)	(25,000)	(151,000)
		(200,000)		(573,000)
	(744,000)	(2,613,000)	(560,000)	(2,448,000)

Children's Education, Libraries & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Shared services models</p> <p>Create an alternative way to deliver the Education and Skills service that currently provides school improvement support, school admissions, support for children with special educational needs, post-16 support and school catering. By developing a new service delivery model in partnership with schools, there is an opportunity to grow and develop services rather than reduce them.</p> <p>The Council will look at emerging best practice across the country to ensure the highest quality of purposeful social work and wider children's service, with a focus on targeted early intervention and prevention. Professionally lead by children's workers, the approach may include established practice models such as a not for profit charitable trust or a Community Interest Company. Early evidence suggests that these models, by focussing on effective practice, have achieved greater productivity and delivered efficiencies. The integration of the delivery of services with other local London Boroughs will also be considered.</p> <p>Government is proposing for all adoption agencies to move to a regional model of provision. Savings would come from regionalisation of adoption and integrating services across London.</p>	(85,000)	(160,000)	(255,000)	(350,000)
<p>Reducing Demand, Promoting Independence</p> <p>Reduce cost of placements for children in care by growing and strengthening the in-house foster care service; intervening early to prevent placement breakdown, transitioning placements from residential to foster care, and ensuring provision of high quality, competitively priced residential placements in appropriate locations. By 2019 Barnet will have one of the largest proportions of children in care placed with in-house foster carers in the country.</p> <p>Additional social care demand management. This will focus on considering new models for social care practice. These approaches include a focus on preventing periods of accommodation for children and preventing escalation of needs.</p>	(131,000)	(144,000)	(149,000)	(69,000)
	(85,000)	(160,000)	(405,000)	(1,150,000)
	(131,000)	(144,000)	(589,000)	(1,336,000)

Children's Education, Libraries & Safeguarding	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Income Generation</p> <p>Through the development of a proposed new Delivery model for Education and Skills services in Barnet there will be a contractual requirement for a gainshare of profits from the trading of services externally. The council's share of any surplus that is available through Gainshare will be allocated as savings achieved as a result of the growth in services. This is over and above the agreed contractual savings.</p> <p>Through the development of the 0-25 integrated service savings through appropriate allocation of education costs for joint placements for children under the age of 18.</p> <p>At present the council funds support for Child and Adolescent Mental Health provision in Primary and Secondary schools. It is proposed to remove that investment and develop a more bespoke traded service enabling schools to access required support where necessary.</p> <p>It is proposed to fund children's substance misuse services with the public health grant to support joined up delivery with wider public health services.</p> <p>Government is, at present, consulting on a range of proposals to change the approach for people with No Recourse to Public funds. In light of these proposals there will be an opportunity to reduce spending in this area. Proposals to reduce spending on No Recourse to Public Funds will not affect any new asylum seeking families who are likely to receive support from the Government.</p> <p>As part of the on-going work to develop an integrated 0-25 year service, the council will ensure that all eligible children with disabilities and other limiting conditions are receiving continuing care funding from the NHS to better meet their health and care needs.</p>	<p>(250,000)</p> <p>(45,000)</p>	<p>(250,000)</p> <p>(430,000)</p>	<p>(250,000)</p> <p>(227,000)</p>	<p>(300,000)</p> <p>(250,000)</p>
	(445,000)	(830,000)	(677,000)	(550,000)

Children's Education, Libraries & Safeguarding		2016/17	2017/18	2018/19	2019/20
		£	£	£	£
<u>Pressures</u>					
	Due to increases in complex cases the demand for services is increasing. Social Care placement costs are being driven by an increase in external placement costs.		600,000	400,000	200,000
	Demographic pressures on 0 to 17 age group based on current placement costs and trends		1,013,452	907,964	1,195,912
		0	1,613,452	1,307,964	1,395,912
Budget		53,847,107	51,398,559	50,110,522	45,688,434

Children, Education, Libraries & Safeguarding

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Adoption	1,173,370	1,447,010	1,447,010
Children in Care Teams	733,470	903,375	905,605
Children's Homes	1,469,520	1,492,600	1,491,970
CSC Specialist Service	308,410	138,730	138,730
Disabled Children	1,978,630	2,212,120	2,212,140
Duty and Assessment	1,682,850	1,895,460	1,897,950
Family Resources Centre	652,580	642,557	642,557
Fostering	3,336,148	3,437,935	3,437,935
Intake and Assessment	272,050	304,090	304,090
Intervention and Planning	1,937,880	3,057,480	3,060,220
Kinship	1,872,062	1,754,690	1,754,690
Onwards & Upwards	1,651,140	1,496,820	1,496,820
Placements	10,740,060	9,869,530	9,338,530
Safeguarding & Quality	1,087,175	1,306,675	1,306,675
Social Care Management	960,310	1,174,958	1,174,958
Children Social Care	29,855,655	31,134,030	30,609,880
Business & Finance Support	1,378,319	1,652,324	1,571,254
Childcare	0	16,270	16,270
Children's Centres	1,216,760	1,643,870	1,533,830
Children's Centres Devolved	1,832,374	1,633,244	1,282,374
Commissioning Management	96,640	112,100	112,100
Communication & Complaints	513,318	739,890	739,890
Community Engagement	62,560	124,995	124,995
Early Years	680,580	464,400	385,940
Early Years Devolved	70,030	71,340	71,340
Early Years Management	86,920	36,400	4,730
Family Focus	609,245	747,960	747,960
Libraries	4,513,630	4,639,820	4,437,940
Performance & Data Management	692,180	757,582	757,582
Positive Activities	258,560	269,170	269,170
Skills, Sports & Play	151,210	152,600	152,440
Strategy/Insight & Commissioning	750,345	834,842	625,842
Targeted Youth Support	1,362,745	1,183,580	1,143,580
WF & Community Engagement Mgt	0	123,000	123,000
Workforce Development	497,090	483,585	483,585
YOS	703,470	681,850	681,850
Youth & FS Mgt	0	81,470	81,470
Youth Centres & Equipment	148,810	146,664	146,444
Early Intervention & Prevention	15,624,786	16,596,956	15,493,586
DSG Deactivated Codes	230,166	16,756	10,780
Edu Partnership&Commercial DSG	282,490	282,490	282,490
School Improvement DSG	733,171	730,510	731,950
Schools Funding	0	(475,000)	0
SEND & Inclusion DSG	(7,290,407)	(7,030,113)	(7,647,700)
Education (DSG)	(6,044,580)	(6,475,357)	(6,622,480)

Children, Education, Libraries & Safeguarding

Education & Skills Management	(499,986)	(529,556)	6,939,683
ES Deactivated Codes	320,020	0	0
Education Management Team	(179,966)	(529,556)	6,939,683
Early Years DSG	5,269,850	5,700,627	5,847,750
Family Support DSG	336,040	336,040	336,040
Intake and Assessment DSG	285,540	285,540	285,540
Perm, Transit & Corp Parent DSG	153,150	153,150	153,150
Family Services DSG	6,044,580	6,475,357	6,622,480
Family Services Management	524,410	745,207	383,757
FS Deactivated Codes	1,712,213	0	(6,560)
Family Services Management	2,236,623	745,207	377,197
14-19 Learning Partnership	353,740	305,690	0
Catering	(190,470)	(131,970)	0
Education Partner & Comm Mgt	481,259	621,339	0
Education Psychology	452,580	591,570	0
Placement & Transport Mgt	3,867,064	4,426,510	0
School Monitoring Management	813,380	817,192	128,530
School Traded Services	5,530	16,780	0
SEN Monitoring & Review	574,330	1,164,548	0
Traded services	(25,400)	(19,090)	0
Inclusion & Skills	6,332,013	7,792,569	128,530
Nursery Schools Direct Management	946,054	946,054	946,054
Nursery Schools Direct Management	946,054	946,054	946,054
Primary Schools Direct Management	10,026,824	10,026,824	10,026,824
Primary Schools Direct Management	10,026,824	10,026,824	10,026,824
PRUs Direct Management	64,486	64,486	64,486
PRUs Direct Management	64,486	64,486	64,486
Blocked Costcentres SDM	(13,425,565)	(13,425,565)	(13,425,565)
Secondary Schools Direct Management	1,834,000	1,834,000	1,834,000
Secondary Schools Direct Management	(11,591,565)	(11,591,565)	(11,591,565)
Special Schools Direct Management	554,201	554,201	554,201
Special Schools Direct Management	554,201	554,201	554,201
Children & Young people	76,130	365,245	298,231
Strategic Commissioning	76,130	365,245	298,231
Children, Education, Libraries & Safeguarding	53,945,241	56,104,451	53,847,107

Children, Education, Libraries & Safeguarding

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Accounting Charges	(11,708,576)	(10,721,656)	(11,708,576)
Capital Financing	(1,445,391)	(1,469,100)	(2,145,990)
Employee Related	199,114,586	201,579,783	190,532,335
Premises Related	14,326,596	14,951,872	14,233,486
Secondary Recharges	303,390	587,448	68,160
Supplies/Services	46,042,643	41,082,146	52,628,934
Support Services	10,619,980	11,963,921	10,619,980
Third Party Payments	40,849,979	42,406,654	43,054,950
Transfer Payments	(1,816,688)	591,937	3,006,658
Transport Related	3,439,079	3,951,542	960,160
Expenditure	299,725,598	304,924,547	301,250,097
Customer & Client Receipts	(24,092,224)	(27,871,354)	(23,542,987)
Government Grants	(215,051,964)	(214,300,263)	(217,614,604)
Other Grants, Reimbursements & Contributions	(6,636,169)	(6,648,479)	(6,245,399)
Income	(245,780,357)	(248,820,096)	(247,402,990)
Children, Education, Libraries & Safeguarding	53,945,241	56,104,451	53,847,107

Budget Summary and Forward Plan

Community Leadership	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	2,372,352	2,259,420	2,259,420	2,259,420
Virements	(103,932)			
	2,268,420	2,259,420	2,259,420	2,259,420
<u>Efficiencies</u>	(9,000)			
<p>Non-renewal of the Council's annual subscription to MOSIAC customer data segmentation programme. MOSIAC is software which allows the Council to model population growth and preferences to help inform policy development. The Customer and Support Group Insight Team uses an identical programme called Call Credit. The proposal is not to renew the subscription to MOSIAC in order to avoid duplication and confusion by using two similar programmes and generate a saving in the process.</p>				
	(9,000)	0	0	0

Community Leadership	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Service Reductions</u>	0	0	0	0
<u>Service Redesign</u> There is a potential equalities impact and this will be kept under review as proposals develop				(243,000)
<u>Reducing Demand, Promoting Independence</u>	0	0	0	(243,000)
<u>Growth and Income</u>	0	0	0	0
<u>Pressures</u>	0	0	0	0
Budget	2,259,420	2,259,420	2,259,420	2,016,420

Community Leadership Committee

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Births Deaths & Marriages	(160,530)	(159,890)	(159,890)
Births Deaths & Marriages	(160,530)	(159,890)	(159,890)
Community Safety	0	0	0
Community Well-being	0	0	0
Finance	181,571	181,571	181,571
Deputy Chief Operating Officer	181,571	181,571	181,571
Governance	9,240	9,240	7,240
Governance	9,240	9,240	7,240
Environment	1,923,314	1,876,009	1,867,009
Strategic Commissioning	1,923,314	1,876,009	1,867,009
Communications	418,757	363,490	363,490
Strategy & Communications	418,757	363,490	363,490
Community Leadership Committee	2,372,352	2,270,420	2,259,420

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	(15,000)	(15,000)	(15,000)
Employee Related	1,621,151	1,495,389	1,495,389
Premises Related	37,980	37,950	37,950
Secondary Recharges	(20,910)	2,950	2,950
Supplies/Services	985,857	969,607	958,607
Third Party Payments	646,218	646,218	646,218
Transport Related	6,880	6,880	6,880
Expenditure	3,262,176	3,143,994	3,132,994
Customer & Client Receipts	(575,400)	(575,400)	(575,400)
Government Grants	(252,924)	(236,674)	(236,674)
Other Grants, Reimbursements & Contributions	(61,500)	(61,500)	(61,500)
Income	(889,824)	(873,574)	(873,574)
Community Leadership Committee	2,372,352	2,270,420	2,259,420

Budget Summary and Forward Plan

Environment	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	20,913,599	38,242,322	37,134,322	36,117,322
Virements	19,053,723			
	39,967,322	38,242,322	37,134,322	36,117,322
<p><u>Efficiencies</u></p> <p>Contract Negotiations: There is a potential opportunity for additional savings from the Re contract, or for additional income to be generated from these contracts over and above the contractual guarantee. £500k represents about 5% of the gross spend on Re services, and it is considered that this is a realistic target for additional savings for 2018/19 as part of the mid term contract review.</p> <p>Reduction in highways reactive maintenance costs: The Council has invested £50 million in planned maintenance for a five year period from 2015/16. It is anticipated that the investment will reduce on-going reactive maintenance costs. The proposal will be supported by increased enforcement action against builders and developers who damage the highway by enforcing the Council's policy on footway parking.</p> <p>Improving fleet efficiency: The service will continue to reduce the unit cost of maintenance by making procurement processes more competitive and increasing the effectiveness and efficiency of the fleet e.g. through increased preventative maintenance resulting in fewer unplanned repairs. The savings are based on the complete London Borough of Barnet fleet.</p> <p>Service changes and Community Engagement Regarding Parks Services: Under this proposal the management of bowling greens would transfer from the council's responsibility to a range of locally-based community organisations, the delivery of annual bedding planting would either cease or transfer to "adopt a place" schemes. In addition, officers will look to return areas of parks and open spaces to "natural" areas and so reduce the level of maintenance as well as revising highway grass cutting frequencies and improving scheduling</p>			(500,000)	(550,000)
	(125,000)			
	(50,000)	(345,000)		

Environment	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Re-procure the Parking Contract: The current contract for parking and enforcement services is due to expire in 2017. A decision to re-procure the service will allow further cost savings to be identified through sharing services with partnering authorities, making contract management savings using varied specifications or through investing in modern IT systems.</p> <p>Street lighting Savings: The current street lighting contract requires the contractor to maintain quality standards relating to lighting levels. Officers will look to reduce management costs by sharing client and back office functions with the London Borough of Enfield and work with the contractor to reduce maintenance costs. Officers will also look at opportunities to reduce energy costs and mitigate the impact of future energy price increases.</p> <p>Household Waste Recycling Centre to transfer to NLWA: Under this proposal the ownership on a lease and management of the Summers Lane Recycling Centre has been transferred to the North London Waste Authority.</p> <p>Increased Productivity and Reduction of Overheads: Restructure of the Street Scene business model - options may include a social enterprise, mutual, shared service or outsourcing for Waste, Recycling, Street Cleansing and Grounds Maintenance services. A decision about a future alternative model will be subject to a full detailed business case and options appraisals, including a comparison with the costs and quality of the in-house service.</p>	(200,000)		(150,000)	
	(80,000)	(250,000)	(450,000)	

Environment	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Creation of a shared mortuary service: The council has developed a shared service arrangement with neighbouring boroughs to deliver operational efficiencies, raise revenue by disposing of the Finchley Mortuary at a competitive price and continue to maintain a high standard of service.	(45,000)			
Review of Street Cleansing Services: Reduction in Street Cleansing frequencies by reducing overall number of operational teams. Detailed proposals will determine areas that might be suitable for reductions including :- Fly-tip frequencies, frequency of Deep Cleanse, extension of litter picking and monitoring intervals and Town Centre servicing. There will be a corresponding change to levels of supervision including utilising the latest technology to design better routes and monitor them more effectively. Officers will introduce an increased level of enforcement activity to reduce the need for street cleansing in areas of littering and fly tipping and greater use will be made of people serving community sentences.	(150,000)	(600,000)		
	(650,000)	(1,195,000)	(1,100,000)	(550,000)
<u>Service Reductions</u>	0	0	0	0
<u>Service Redesign</u>	0	0	0	0

Environment	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Reducing Demand, Promoting Independence</p> <p>Movement to menu pricing within the North London Waste Authority and waste disposal diversion projects: The current cost of waste disposal is based on a long-standing system where each Council pays an average price per tonne in proportion to its relative size. This payment is made two years in arrears. The introduction of menu pricing will see the Council pay a price per tonne specifically for the type and volume of waste sent for disposal within the year that the disposals occurs. This will incentivise Councils to minimise waste and will generate a saving based on Barnet sending less waste for disposal compared with other members of the North London Waste Authority. Future waste diversion savings are reliant on demand management projects, changes to collection services and the success of communications campaigns.</p>	(1,900,000)	(500,000)	(100,000)	(100,000)
<p>Revised waste offer to increase recycling: The planned ending of central Government support for weekly refuse collection will necessitate a revised waste collection offer to residents that will need to focus on the delivery of challenging recycling targets. The Council collects residual waste, recyclables, and food waste from all households. The proposal is for a comprehensive and targeted communications and engagement campaign which aims to change resident behaviours and drive up recycling rates in order to reduce collection and disposal costs. This includes making it easier to recycle food waste and compulsory recycling of dry and food waste; increasing recycling in flats by working with managing agents to identify the most suitable mix of containers and limiting the capacity for residual waste. The proposals will be supported by small scale pilot projects, incentive schemes and targeted communications projects. However it may become necessary to go to alternate weekly collection if recycling rates continue to plateau and/or the savings identified are not realised.</p>	(31,000)	(50,000)	(200,000)	(200,000)
<p>Increased Productivity and Reduction of Overheads: Develop a range of alternative management models for parks and open spaces including trusts, management by friends groups and volunteers. Ensure that all costs are recovered from External Agencies such as Barnet Homes and ensure that suitable specifications are in place.</p>	(100,000)		(100,000)	(100,000)
	(2,031,000)	(550,000)	(400,000)	(400,000)

Environment	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>Growth and Income</p> <p>Invest in 3G Pitches (x3): This proposal will see the Council secure additional investment (in partnership with funding bodies such as The Football Foundation) in modern 3G sports pitches across the borough. The Council will benefit from a mechanism for sharing the additional income generated from new pitches with any delivery partner.</p> <p>Income generation from Non-Statutory Waste Services: A challenging income generation target across a range of chargeable services including but not limited to: bulky waste collection, special collections, additional collections, and the identification of new services where charging the user more in order to offset the impact of wider budget reductions is appropriate. To be delivered through a fundamental review of all transactional services e.g. development of the trade and commercial waste services including recycling and a review of commercial activity to identify new or improved income opportunities. Further work to be done with commercial waste to both obtain contracts and offer recycling services.</p> <p>Reduce Demand for Services through targeted enforcement and Education</p> <ul style="list-style-type: none"> - increase the investment in enforcement and public communication activities to reduce the amount of fly tipping, littering and ASB - provides a reduction in overall operating costs and a small revenue stream above investment costs. <p>Improve service Efficiencies to Reduce Growth Demand: Current budget forecasts include growth related to the new developments to waste collection and recycling service. Service efficiencies will be introduced to absorb additional work within the current workforce</p>	(50,000)	(200,000)	(300,000)	(1,000,000)
	(410,000)	(300,000)	(425,000)	(1,000,000)
<p>Pressures</p> <p>Major developments in the western part of the borough mean higher waste support needs</p> <p>North London Waste Authority (NLWA) levy increased pressure</p>	1,366,000	937,000	150,000	210,000
	1,366,000	937,000	908,000	1,245,000
Budget	38,242,322	37,134,322	36,117,322	35,412,322

Environment Committee

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Business Improvement	335,131	264,227	264,227
Business Improvement	335,131	264,227	264,227
Mortuary	141,010	144,070	99,070
Transport	(178,820)	(199,030)	(327,530)
Contract Management	(37,810)	(54,960)	(228,460)
Green Spaces	4,711,982	4,631,022	4,329,682
Green Spaces	4,711,982	4,631,022	4,329,682
Highway Inspection/Maintenance	382,007	353,727	353,727
Parking	(457,750)	(457,750)	(457,750)
Parking & Infrastructure	(75,743)	(104,023)	(104,023)
Street Cleansing	3,750,550	3,597,450	3,526,540
Parks, Street Cleaning & Groun	3,750,550	3,597,450	3,526,540
RE Guaranteed Income	0	(7,750,176)	(7,750,176)
RE Managed Budgets	1,095,332	1,144,852	1,056,852
Re Managed Budgets	1,095,332	(6,605,324)	(6,693,324)
RE Management Fee	(414,655)	14,738,568	14,738,568
Re Management Fee	(414,655)	14,738,568	14,738,568
Special Parking Account	0	0	0
Special Parking Account	0	0	0
Environment	0	10,813,950	10,181,936
Strategic Commissioning	0	10,813,950	10,181,936
Street Lighting	6,294,912	6,423,502	6,223,502
Street Lighting	6,294,912	6,423,502	6,223,502
Street Scene Management	649,661	652,091	652,091
Street Scene Management	649,661	652,091	652,091
Recycling	69,810	1,117,858	1,021,398
Trade Waste	(1,622,851)	(1,921,985)	(1,929,805)
Waste	6,157,280	6,724,730	6,259,990
Waste & Recycling	4,604,239	5,920,603	5,351,583
Environment Committee	20,913,599	40,277,106	38,242,322

Environment Committee

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Asset Capital Accg Charges	28,700	18,700	18,700
Capital Accounting Charges	7,420,775	7,122,445	8,052,445
Employee Related	14,717,449	15,487,867	14,645,083
Premises Related	1,690,255	1,646,415	1,646,415
Secondary Recharges	(9,032,978)	(9,463,462)	(9,360,462)
Supplies/Services	28,128,511	45,775,537	44,941,537
Third Party Payments	383,260	4,945	4,945
Transport Related	9,828,728	9,835,228	9,693,228
Expenditure	53,164,700	70,427,675	69,641,891
Customer & Client Receipts	(28,296,786)	(27,103,244)	(28,352,244)
Government Grants	(1,832,000)	(1,762,000)	(1,762,000)
Interim Budgets	(1,285,325)	(1,285,325)	(1,285,325)
Other Grants, Reimbursements & Contributions	(836,990)	0	0
Income	(32,251,101)	(30,150,569)	(31,399,569)
Environment Committee	20,913,599	40,277,106	38,242,322

Budget Summary and Forward Plan

Housing Committee	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	3,953,609	4,698,069	4,698,069	4,698,069
Virements	744,460			
	4,698,069	4,698,069	4,698,069	4,698,069
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0

Housing Committee	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Income</u>				
	0	0	0	0
<u>Pressures</u>				
	0	0	0	0
Budget	4,698,069	4,698,069	4,698,069	4,698,069

Housing Committee

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Housing Needs Resources	3,953,609	4,975,749	4,975,749
Housing Needs Resources	3,953,609	4,975,749	4,975,749
HRA Other Income & Expenditure	5,284,086	5,284,086	5,284,086
HRA Regeneration	1,027,770	1,027,770	1,027,770
HRA Surplus/Deficit for the year	(6,231,496)	(6,231,496)	(6,231,496)
Interest on Balances	(80,360)	(80,360)	(80,360)
HRA	0	0	0
RE Guaranteed Income	0	(277,680)	(277,680)
Re Managed Budgets	0	(277,680)	(277,680)
Housing Committee	3,953,609	4,698,069	4,698,069

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Asset Capital Accg Charges	12,866,805	12,866,805	12,866,805
Asset Capital Financing	820,000	820,000	820,000
Capital Accounting Charges	12,953,699	12,953,699	12,953,699
Capital Financing	6,688,827	6,538,827	6,538,827
Employee Related	615,940	611,210	611,210
Premises Related	8,039,390	8,039,220	8,039,220
Secondary Recharges	0	140	140
Supplies/Services	21,411,636	21,587,636	21,587,636
Support Services	576,410	576,410	576,410
Third Party Payments	17,931,072	18,957,972	18,957,972
Expenditure	81,903,779	82,951,919	82,951,919
Customer & Client Receipts	(74,823,236)	(75,100,916)	(75,100,916)
Interest	(80,360)	(80,360)	(80,360)
Other Grants, Reimbursements & Contributions	(3,046,574)	(3,072,574)	(3,072,574)
Income	(77,950,170)	(78,253,850)	(78,253,850)
Housing Committee	3,953,609	4,698,069	4,698,069

Budget Summary and Forward Plan

Policy & Resources	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	99,392,917 (20,371,717)	77,929,200	79,710,200	81,878,619
	79,021,200	77,929,200	79,710,200	81,878,619
<p>Efficiencies</p> <p>This proposal is to reduce the remaining Council IT spending that does not form part of the Customer & Support Group contract (approximately £1m per annum). This proposal would reduce this by approximately 10% in 2016/17.</p> <p>Budget proposals for 2016-20 include efficiency savings of approximately 2% per annum on third party contracts. This saving comes from Commissioning Group and Assurance contract spending, which include communications and engagement contracts, internal audit and insurance. The overall budget includes provision for price increases of 2.5% per annum, so this saving could be made either from keeping the costs of contracts stable, or through improved contract management and negotiation of better rates.</p> <p>Budget proposals for 2016-20 include workforce efficiency savings of approximately 10% of the relevant staff budgets. As Government funding for council services continues to reduce, delivery units will need to review their workforce budgets to ensure that they can make the required savings. At this stage, it is expected that the 10% saving can be made without impacting on service delivery, but this assumption will need to be tested in the years to 2020. Corporate initiatives such as the review of terms and conditions and the unified pay project will support delivery units to achieve this saving. Delivery units will also need to review performance management, use of agency staff, management layers and productivity to ensure that this saving can be achieved.</p>	(140,000)			
	(62,000)	(46,000)	(45,000)	(44,000)
	(480,000)	(579,000)	(100,000)	

Policy & Resources	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>The bulk of this saving has already been achieved through a revised Scheme of Members Allowances that was agreed by Council on 15 July 2014. The new scheme of Allowances- reflecting the replacement of Cabinet and Scrutiny with eight theme committees- produced a saving of £90,358. In addition, a further £29,541 was saved as no Member may receive more than one Special Responsibility Allowance and some of the SRA paying posts were held by members already in receipt of an SRA. There are underspends in the budget that will fund the remaining savings of £100k.</p> <p>There are a number of opportunities to share services with other local authorities. These services include health and safety, emergency planning, insurance, internal audit and governance. In practice, this saving would involve shared management of these functions between Barnet and another local authority. Similar arrangements are already in place with Harrow Council, Brent Council and other bodies in respect of legal services and public health. No firm proposals are currently in place to deliver this saving, but options are being considered to ensure that this is deliverable before 2018.</p> <p>The Council is required to budget each year for costs associated with repaying the principle on borrowing costs. This is known as "minimum revenue provision", and is prescribed as part of CIPFA accounting guidance. A review has been undertaken of the Council's MRP calculation, and it concludes that the annual charge is £1m more prudent than is necessary. This dates back to the original calculation made when the current capital financing regime came into place in 2004. This approach has been agreed with the Council's external auditors and is still considered to be a prudent approach.</p> <p>Barnet Council revised its redundancy terms and conditions back in 2011 which led to a reduction in individual redundancy payments. This approach was consistent with many other councils at the time. This, along with a lower level of redundancies per annum (partly arising from the outsourcing of services to CSG and Re) means that the annual budget that the Council sets aside for redundancy can be reduced by £1.875m per annum.</p> <p>Reduction in spending on annual subscriptions and membership fees to organisations which the Council is currently a member of. A review of spending on annual subscriptions and membership fees is to take place in 2015. This will include recommendations on where to make savings.</p>	<p>(140,000)</p> <p>(1,000,000)</p> <p>(1,850,000)</p> <p>(400,000)</p>	<p>(80,000)</p>	<p>(1,243,581)</p>	

Policy & Resources	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<p>The Council sets aside a budget each year to fund future borrowing costs for additional capital expenditure. This budget is approximately 4.5% of additional capital costs. Over recent years, the Council has not borrowed to fund additional capital expenditure and used cash balances instead. In addition, the interest rate on loans is currently less than 4%, leading to an annual saving. If future borrowing costs remain below 4%, then a saving of £5m over the period to 2020 is achievable. If interest rates increase, then the Council will be able to generate additional interest income on deposits, so this saving would also be achievable.</p> <p>The Customer Access Strategy will use insight about customers and their experiences to design improvements to the council's existing customer services model. It is expected that the strategy will identify a number of opportunities to make savings by directing customers away from face to face, increasing use of the Coventry contact centre, changing service standards and exploring possibilities for income generation.</p> <p>The Council entered into the Customer & Support Group contract for customer and back office services in the autumn of 2013. This contract will deliver a total £125m saving over a 10 year period. This includes a reduction in the cost of back office services of £70m, or £7m per annum (average across the contract). The contract price has already reduced by £6m per annum and forms part of the Councils existing budget and Medium Term Financial Strategy. A further reduction of £2m is anticipated (£1.5m guaranteed in the contract and £0.5m is an expectation of greater savings from the contract review at year 3) meaning that an additional saving can be included in the Council's budget for 2018/19 and 2019/20.</p> <p>Reduction in Audit fees budget to reflect changes in current costs</p> <p>Insurance reduction as part of re-procurement in October 2015</p> <p>Senior Management Costs Saving</p>	<p>(2,500,000)</p> <p>(1,35,000)</p> <p>(25,000)</p> <p>(6,732,000)</p>	<p>(2,500,000)</p> <p>(3,205,000)</p>	<p>(1,500,000)</p> <p>(500,000)</p> <p>(1,000,000)</p> <p>(4,388,581)</p>	<p>(500,000)</p> <p>(1,000,000)</p> <p>(2,544,000)</p>

Policy & Resources	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u> Reduction in grants budget for London Councils Grants Scheme	(59,000)	(59,000)		
	(59,000)	(59,000)	0	0
<u>Growth and Income</u> Increasing Council Tax Support payments to 20%	(1,026,000)	(456,000)		
General Provision for inflation	4,406,000	4,484,000	4,562,000	4,642,000
Reduction / increase in Contingency budget for risks in service areas	(1,880,000)	(238,000)	703,000	3,843,000
Capital Financing		1,000,000	1,000,000	2,500,000
Increase in Concessionary Fares	227,000	255,000	292,000	346,000
	1,727,000	5,045,000	6,557,000	11,331,000
<u>Pressures</u> Demographics pressures due to general trends and price as well as transitions of children joining adult service areas	2,083,000			
Due to increases in complex cases the demand for services is increasing. Social Care placement costs are being driven by an increase in external placement costs.	950,000			
Demographic pressures on 0 to 17 age group based on current placement costs and trends	939,000			
	3,972,000	0	0	0
Budget	77,929,200	79,710,200	81,878,619	90,665,619

Policy and Resources

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Assurance Management	526,790	564,745	565,008
Assurance Management	526,790	564,745	565,008
Capital Financing	22,815,670	22,759,670	19,259,670
Car Leasing	2,210	2,210	2,210
Central Contingency	12,412,386	2,430,406	7,876,506
Corporate Fees & Charges	398,940	398,940	263,940
Corporate Subscriptions	314,220	314,220	314,220
Early Retirement	5,427,321	5,427,321	3,577,321
Levies	30,717,050	19,074,250	19,242,250
Local Area Agreement	105,000	105,000	105,000
Miscellaneous Finance	426,430	765,030	740,030
Central Expenses	72,619,227	51,277,047	51,381,147
Commercial	1,224,210	1,162,566	1,049,180
Commercial & Customer	1,224,210	1,162,566	1,049,180
Commissioning Group	635,974	0	0
Commissioning Group	635,974	0	0
CSG Management Fee	16,836,019	18,463,691	18,001,959
Estates	(2,121,349)	(3,236,811)	(2,084,399)
Other Managed	0	183,740	0
Customer Support Group	14,714,670	15,410,620	15,917,560
Finance	1,527,230	938,760	466,910
Information Management	796,853	879,623	879,623
Programme & Resources	691,013	781,853	918,103
Deputy Chief Operating Officer	3,015,096	2,600,236	2,264,636
Elections	423,055	391,880	348,195
Elections	423,055	391,880	348,195
Governance	2,301,540	2,366,250	2,136,260
Governance	2,301,540	2,366,250	2,136,260
HB Law	1,752,397	2,011,397	2,011,397
HB Law	1,752,397	2,011,397	2,011,397
Internal Audit & CAFT	849,818	866,658	736,070
Internal Audit & CAFT	849,818	866,658	736,070
Strategic Commissioning Board	705,070	767,950	767,950
Strategic Commissioning Board	705,070	767,950	767,950
Blocked Costcentres CSC	60	0	60
Commissioning Strategy	405,430	240,358	441,340
Communications	219,580	310,397	310,397
Strategy & Communications	625,070	550,755	751,797
Policy & Resources	99,392,917	77,970,104	77,929,200

Policy and Resources

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Capital Financing	36,437,296	26,455,316	28,401,416
Employee Related	13,281,087	13,200,838	11,176,837
Premises Related	1,091,160	771,080	1,019,600
Secondary Recharges	(646,152)	(2,050,839)	(1,352,593)
Supplies/Services	26,868,679	31,922,469	26,866,672
Third Party Payments	32,092,940	20,827,530	20,970,280
Transfer Payments	214,253,840	258,001,180	258,001,180
Transport Related	44,130	44,130	37,750
Expenditure	323,422,980	349,171,704	345,121,142
Customer & Client Receipts	(6,885,183)	(10,341,990)	(6,187,695)
Government Grants	(211,598,300)	(255,658,081)	(256,080,911)
Interest	(1,657,690)	(1,657,690)	(1,657,690)
Other Grants, Reimbursements & Contributions	(3,888,890)	(3,543,839)	(3,265,646)
Income	(224,030,063)	(271,201,600)	(267,191,942)
Policy & Resources	99,392,917	77,970,104	77,929,200

Central Expenses (Levies)

Levies	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016-17
	£	£	£
<u>Other Establishments - Third part Payments</u>			
Environment Agency	320,730	320,730	320,730
Lea Valley Regional Park	428,350	428,350	428,350
London Pension Funds	707,000	707,000	707,000
Traffic Control Signals Unit	519,400	519,400	519,400
Concessionary Fares	15,918,280	15,918,280	16,145,280
	17,893,760	17,893,760	18,120,760
<u>Joint Authorities - Third Party Payments</u>			
North London Waste Authority	11,642,800	11,642,800	0
Coroners Court	284,000	284,000	284,000
	11,926,800	11,926,800	284,000
<u>Other Local Authorities - Third Party</u>			
London Boroughs Grants	896,490	896,490	837,490
Total Levies	30,717,050	30,717,050	19,242,250

Budget Summary and Forward Plan

Public Health	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget Virements	14,335,000 4,209,000	18,544,000	18,544,000	18,544,000
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0

Public Health	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Income</u>	0	0	0	0
<u>Pressures</u>				
	0	0	0	0
Budget	18,544,000	18,544,000	18,544,000	18,544,000

Public Health

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Public Health	14,335,000	15,835,000	18,544,000
Public Health	14,335,000	15,835,000	18,544,000
Public Health	14,335,000	15,835,000	18,544,000

	Original Estimate 2015/16	Current Estimate 2015/16	Original Estimate 2016/17
Third Party Payments	14,335,000	15,835,000	18,544,000
Expenditure	14,335,000	15,835,000	18,544,000
Public Health	14,335,000	15,835,000	18,544,000

Budget Summary and Forward Plan

Special Parking Account	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Base Budget	(7,420,775)	(8,052,445)	(8,322,445)	(8,562,445)
Virements	298,330			
	(7,122,445)	(8,052,445)	(8,322,445)	(8,562,445)
<u>Efficiencies</u>				
	0	0	0	0
<u>Service Reductions</u>				
	0	0	0	0
<u>Service Redesign</u>				
	0	0	0	0
<u>Reducing Demand, Promoting Independence</u>				
	0	0	0	0
<u>Income</u>				
Income generation from a full review of fees and charges across all Environmental Committee business areas. This will include making sure that all fees are collected.	(930,000)	(270,000)	(240,000)	(130,000)
	(930,000)	(270,000)	(240,000)	(130,000)
<u>Pressures</u>				
	0	0	0	0
Budget	(8,052,445)	(8,322,445)	(8,562,445)	(8,692,445)

Revenue Budget 2016-2017

Special Parking Account

	2015-2016		2015-2016		2016-2017	
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate
	£	£	£	£	£	£
Income						
Penalty Charge Notices	(6,635,010)	(6,615,010)	(6,615,010)	(6,615,010)	(6,615,010)	(6,615,010)
Permits	(2,220,000)	(2,220,000)	(2,220,000)	(2,220,000)	(2,550,000)	(2,550,000)
Pay & Display	(3,060,000)	(3,080,000)	(3,080,000)	(3,080,000)	(3,080,000)	(3,080,000)
CCTV Bus lanes	(870,000)	(870,000)	(870,000)	(870,000)	(1,470,000)	(1,470,000)
Total Income	(12,785,010)	(12,785,010)	(12,785,010)	(12,785,010)	(13,715,010)	(13,715,010)
Operating Expenditure	5,364,235	5,662,565	5,662,565	5,662,565	5,662,565	5,662,565
Net Operating Surplus	(7,420,775)	(7,122,445)	(7,122,445)	(7,122,445)	(8,052,445)	(8,052,445)
Add Capital Expenditure / Debt Charge						
Net Expenditure in Year	(7,420,775)	(7,122,445)	(7,122,445)	(7,122,445)	(8,052,445)	(8,052,445)
Balance brought forward	0	0	0	0	0	0
Appropriation to General Fund	7,420,775	7,122,445	7,122,445	7,122,445	8,052,445	8,052,445
Balance Carried Forward	0	0	0	0	0	0

The SPA is a ringfenced statutory account covering the estimated impact of implementing On-Street Parking and Council on 4 November 1997 noted that the provision of further off-street parking places was unnecessary for the time. The net projected surplus on the SPA is available for implementation of parking schemes and as a general support for

HOUSING REVENUE ACCOUNT		
	2015/16	2016/17
	Original Budget	Original Budget
Income	£	£
Dwelling rents	(53,758,196)	(50,604,854)
Non-dwelling rents	(1,744,813)	(1,613,781)
Tenants Charges for services and facilities	(3,800,417)	(3,927,160)
Leaseholder Charges for Services and Facilities	(2,951,326)	(3,049,752)
Grants and other income	0	(1,274,486)
Total Income	(62,254,752)	(60,470,033)
Expenditure		
Repairs and Maintenance	7,550,000	7,701,000
Supervision and management		
General	13,962,664	14,503,736
Special	6,756,617	6,834,476
Rents, Rates, taxes and other charges	121,500	430,535
Depreciation and impairment of fixed assets	12,866,805	12,837,638
Contribution to Major Repairs Reserve	19,185,195	8,313,362
Impairment write off for HRA commercial properties	820,000	820,000
Debt Management Costs	6,688,827	7,413,628
Increase in bad debt provision	615,000	516,376
Total Expenditure	68,566,608	59,370,752
Net Cost of HRA Services	6,311,857	(1,099,281)
Interest and investment income	(80,360)	(147,197)
(Surplus) or deficit for the year on HRA services	6,231,497	(1,246,477)

Appendix 4

Theme Committee	2015/16 Funding											2016/17 Funding										
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MIRA	Development Reserve	Capital Reserve	Borrowing	Total 2015/16	Grants	Other (incl. S106)	Capital Receipts	RCCO/MIRA	Development Reserve	Capital Reserve		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Adults & Safeguarding	4,450	5,886	15,914			26,250	3,202		641	207		150	250	4,450								3,250
Asset, Regeneration and Growth	42,124	55,747	50,180	22,380	5,700	176,131	739				23,729		17,656	42,124	4,282	1,876	2,300					27,592
Children's Education, Libraries & safeguarding	47,550	68,853	31,262	43,462	31,875	223,002	28,150	1,241	4,813	458	448		12,438	47,549	20,942	4,564	1,694					2,470
Community Leadership						208												208				
Environment	24,599	31,331	11,697	10,871	9,230	87,728	5,695	203	395	1,271	150	1,420	15,465	24,600	5,555	1,898	343	574	90			275
Housing	5,993	6,249	4,334	3,868	3,867	24,311	1,120		433	22	750		3,668	5,993	1,629	1,416	100					
Policy & Resources	29,751	22,531	3,249	1,000	1,000	57,531	1,006		22,925	600			5,220	29,751	1,648		13,435					1,500
Total - General Fund	154,467	190,806	116,636	81,581	51,672	595,161	39,912	1,445	29,207	2,558	150	26,497	54,698	154,467	34,056	9,754	17,872	782	90			35,087
Housing Revenue Account	41,070	48,097	36,984	22,487	17,132	165,770		7,225	2,596	29,956			1,295	41,071	280	1,114	6,127	21,151				
Total - all services	195,537	238,902	153,620	104,068	68,804	760,931	39,912	8,669	31,803	32,514	150	26,497	55,993	195,538	34,336	10,869	23,999	21,934	90			35,087

Appendix 4

Theme Committee	2017/18 Funding										2018/19 Funding									
	Total 2016/17		Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Development Reserve	Capital Reserve	Borrowing	Total 2017/18	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Development Reserve	Capital Reserve	Borrowing	Total 2018/19	Grants	Other (incl. S106)
	£000	£000																		
Adults & Safeguarding	2,636	5,886						15,914	15,914											
Asset, Regeneration and Growth	19,697	55,747	3,600	1,321			32,069	13,190	50,180	4,100							11,130	22,380	1,100	
Children's Education, Libraries & safeguarding	39,183	68,853	16,096	3,251			1,270	10,645	31,262	7,000	5,000						31,062	43,462	7,000	3,000
Community Leadership		208																		
Environment	22,595	31,331	1,500		10	887		9,300	11,697	1,500			5	716			8,650	10,871	1,500	
Housing	3,104	6,249	1,066		48			3,168	4,334	1,066							2,733	3,868	1,066	
Policy & Resources	5,948	22,531			23			3,226	3,249								1,000	1,000		
Total - General Fund	93,162	190,805	22,262	4,572	81	887	33,391	55,443	116,636	13,666	5,000	5	716	716	7,619	54,575	81,581	10,666	3,000	
Housing Revenue Account																	3,565	22,487		
Total - all services	112,585	238,900	26,982	5,222	4,276	22,179	33,391	61,570	153,620	13,666	5,552	1,230	17,861	17,861	7,619	58,140	104,068	10,666	3,000	

Theme Committee	2019/20 Funding					Total Funding								
	Capital Receipts £000	RCCO/ MRA	Development Reserve £000	Capital Reserve £000	Borrowing £000	Total 2019/20 £000	Grants £000	Other (incl. S106) £000	Capital Receipts £000	RCCO/ MRA	Development Reserve £000	Capital Reserve £000	Borrowing £000	Total £000
Adults & Safeguarding							3,202		641	207		3,400	18,800	26,250
Asset, Regeneration and Growth				4,500	100	5,700	13,821	3,197	2,300			95,040	61,773	176,131
Children's Education, Libraries & safeguarding					21,875	31,875	79,188	17,056	6,506	458		4,588	115,203	223,000
Community Leadership										208				208
Environment	5				7,725	9,230	15,750	2,102	759	3,449	240	1,695	63,735	87,729
Housing					2,801	3,867	5,947	1,416	581	22		871	15,474	24,311
Policy & Resources					1,000	1,000	2,654		36,383	600		1,500	16,394	57,531
Total - General Fund	5			4,500	33,501	51,672	120,563	23,771	47,170	4,944	240	107,094	291,379	595,161
Housing Revenue Account						17,132	5,000	9,540	14,143	106,677			30,410	165,770
Total - all services	5			4,500	33,501	68,804	125,563	33,311	61,313	111,620	240	107,094	321,789	760,931

TOTAL CAPITAL FUNDING													
Adults & Safeguarding	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Investing in IT	3,045					3,045	2,447		141	207		250	3,045
Transformation Care Grant	5					5	5						5
Sport and Physical Activities	1,400	5,886	15,914			23,200	750		500		3,400	18,550	23,200
	4,450	5,886	15,914			26,250	3,202		641	207	3,400	18,800	26,250

Assets, Regeneration & Growth	TOTAL CAPITAL FUNDING							Total					
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants		Other (incl. S106)	Capital Receipts	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
GF Regeneration		2,478				2,478			2,300		178	2,478	
Mill Hill East	23	219	100	100	100	542					542	542	
Outer London Fund - Cricklewood	108	45				153	153					153	
Outer London Fund - North Finchley	34	186				220	220					220	
BXC - Funding for land acquisition	21,000	15,000	22,969			58,969				58,969		58,969	
Graham Park Regeneration - Building works													
Graham Park Regeneration - Infrastructure improvements	168	4,318	3,571	750		8,807	2,000	2,807		4,000		8,807	
Colindale - Lanacre Ave/Aerodrome rd Junction	750	2,250	3,750	3,500	1,750	12,000	3,500	150		8,350		12,000	
Colindale - Grahame park decant programme	500	4,200	1,750	250	250	6,950				6,950		6,950	
West Hendon Highway Improvement	60	690	2,950	3,750	3,600	11,050	3,350			7,700		11,050	
Town Centre	598	3,411	2,000	3,000		9,009	4,598	240		4,171		9,009	
Thames Link Station	1,250	3,650				4,900				4,900		4,900	
Office Build	6,890	19,300	13,090	11,030		50,310					50,310	50,310	
Development pipeline	10,743					10,743					10,743	10,743	
	42,124	55,747	50,180	22,380	5,700	176,131	13,821	3,197	2,300	95,040	61,773	176,131	

Children's Education, Libraries & safeguarding	TOTAL CAPITAL FUNDING												
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Modernisation - Primary & Secondary	3,903	726				4,629	3,431		192	2		1,003	4,629
Urgent Primary Places - Temporary Allocated	1,821	270	250			2,341	2,090					251	2,341
Millbrook Park (MHE)	373					373		216	157				373
Orion Primary School	459					459				7		452	459
Blessed Dominic/St James	200	1,763				1,963	200					1,763	1,963
Moss Hall	84					84						84	84
Brunswick	60					60			35			25	60
Menorah Foundation	1,830					1,830			905	100		825	1,830
St Marys and St Johns	1,085					1,085	465			300		320	1,085
Martin Primary	81					81		26				55	81
Oakleigh School	37					37						37	37
Beis Yakov	107					107						107	107
St Joseph's RC Junior & St Joseph's RC Infants School	1,986					1,986	1,957					29	1,986
Monkfrith	1,252	2,590				3,842	1,880					1,962	3,842
Wren Academy	4,826	2,415				7,241	2,946		297			3,998	7,241
London Academy	5,500	3,806				9,306	6,242					3,064	9,306
Oak Hill Campus	250					250	250						250
Permanent Secondary Expansion Programme													
Christ College	85	11				96	50					46	96
Copthall	106	326				432	432						432

Children's Education, Libraries & safeguarding	TOTAL CAPITAL FUNDING												
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Compton	277					277	276					1	277
Oak Lodge Special School	1,741	4,026				5,767	2,187					3,580	5,767
Bishop Douglas	98					98	98						98
St Mary's & St John's	2,000					2,000	2,000						2,000
Infant Free School Meals Capital Fund	241					241	241						241
Other Projects													
Wave 1 - Whitings Hill	21	180				201						201	201
Wave 1 - Northway/Fairway	182	22				204			181			23	204
Primary Capital Programme	538					538			30			508	538
East Barnet & Project Faraday	101	463				564			140			424	564
Temporary Bulge Classes													
Primary Programme	3,500	11,000	9,000	6,000	4,000	30,000	22,482	268				7,250	30,000
Secondary Programme	5,850	10,500	1,000	15,000	19,000	49,000	11,000	1,238				36,762	49,000
SEN	4,000	2,000	2,000	2,000		11,850	1,462	1,000	2,426			6,962	11,850
Alternative Provision	519	4,000	4,025	2,300	2,300	8,000	7,000					1,000	8,000
Contingency		5,325				14,469	31		65			14,373	14,469
School place planning – meeting basic need for school places (primary and secondary school places)		8,000	12,347	17,482	6,345	44,174	12,038	14,309				17,827	44,174

TOTAL CAPITAL FUNDING													
Children's Education, Libraries & safeguarding	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
E Financial	10					10					10		10
Education Systems	50					50				50			50
Early Intervention System	47					47					47		47
Implementation of libraries Strategy	525	1,554				2,079			2,079				2,079
2 year old offer	246					246	246						246
Libraries – commissioning plan 2015-2020													
Early education - provision in west of borough	1,754	746	500			3,000						3,000	3,000
Social care placements - residential and fostering expansions	1,000	2,250	250	100	100	3,700						3,700	3,700
Information Management - replacement youth offending system and single view of data for children's	285	150	400			835	185					650	835
Early Learning Review	191	70	70			331					331		331
Youth Zone	200	2,400	1,200	400		4,200					4,200		4,200
Loft conversion and extension policy for Foster Carers	130	240	220	180	130	900						900	900

TOTAL CAPITAL FUNDING													
Children's Education, Libraries & safeguarding	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
						80						80	80
New Park House Children's home		80				80							80
Libraries Service Capital Works		3,940				3,940						3,940	3,940
	47,550	68,853	31,262	43,462	31,875	223,002	79,188	17,056	6,506	458	4,588	115,203	223,001

TOTAL CAPITAL FUNDING													
Community Leadership	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CCTV Installation		208				208				208			208
		208				208				208			208

Environment	TOTAL CAPITAL FUNDING													
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Development Reserve	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HIGHWAYS TfL - LOCAL IMPLEMENTATION PLAN														
Local Implementation Plan							275							275
Local Implementation Plan 2014/15	275					275								275
Local Implementation Plan 2015/16	4,194					4,194								4,194
Local Implementation Plan 2016/17 and onwards		4,857	1,500	1,500	1,500	9,357	9,357							9,357
Major Schemes														
Bus stop Accessibility	400					400	400							400
Bridge Assessment	51					51	51							51
Air Quality Scheme	155					155	155							155
HIGHWAYS non-TfL														
Footway Reconstruction	0	119				119		76					43	119
Traffic Management	0	48				48		43					5	48
Colindale Development Area														
Reconstruction of Railway Bridges	0	850				850			29				821	850
Controlled Parking Zones		14				14		10					5	14
Colindale Station interchange		50				50			44				6	50
Improvement & Signalisation and Infrastructure		356				356		356						356
Public Transportation Improvements	0	103				103		98					5	103
Pedestrian Improvements programme		262				262		262						262
Colindale CPZ Parking Review Feasibility Study-Colindale Hospital		15				15		11					5	15

Environment	TOTAL CAPITAL FUNDING													
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Development Reserve	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Highways Investment Programme		610				610		546					65	610
Travel Plan Implementation		235				235		210					25	235
Carriageways		4,000				4,000							4,000	4,000
Carriageways (Phase 2)														
Outstanding Transport Commitments on Completed Schemes		3				3			3					3
Highways Planned Maintenance Works Programme		40				40					40			40
CCTV Projects Retention														
Pavements	118	2,000				2,118							2,118	2,118
Pavements (Phase 2)		133				133				133				133
Pothole Fund	1					1	1							1
Saracens		17				17		17						17
Drainage Schemes	0	493				493	69						423	493
Refurbish and regenerate Hendon Cemetery and Crematorium	515	668				1,183				591			592	1,183
Borough Cycling Programme	231	206				437	437							437
Road Traffic Act - Controlled Parking Zones		184				184		164					15	184
Parking	(0)	30				30		2					28	30
Investment in Roads & Pavement	14,500	13,830	8,000	8,000	6,375	50,705							50,705	50,705
Improvements to Six of the Borough's Parks	5					5		5						5
Copthall Car Park														
Old Court House - public toilets	40					40		40						40

Environment	TOTAL CAPITAL FUNDING										Total			
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA		Development Reserve	Capital Reserve	Borrowing
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Parks & Open Spaces and Tree Planting	93	105				198		198						198
Lagan System	120					120					120			120
Park Infrastructure	200	145				345	18	65		20			242	345
Waste	477					477			132	345				477
Weekly Collection Support Scheme	370	423				793	793							793
Fuel Storage Tank		60				60							60	60
Replacement Bins	250	250	250	250	250	1,250							1,250	1,250
Street litter bins	15	15	10	5	5	50			50					50
Parks Equipment			100	100	100	300							300	300
Vehicles	500	100	750	100	800	2,250							2,250	2,250
Waste and recycling vehicles		190	530	270		990				990				990
Street cleansing and greenspaces - vehicles and equipment	391	164	357	446		1,358				1,358				1,358
Hendon Cemetery & Crematorium Enhancement	165	220				385			385					385

Environment	TOTAL CAPITAL FUNDING										Total				
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA		Development Reserve	Capital Reserve	Borrowing	£000
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Lines and Signs	150	250				400					200	200			400
Parking Machines		12				12				12					12
CCTV	1,300					1,300						1,300			1,300
CCTV Projects Retention	84					84			84						84
Town Centre Bays		75				75						75			75
Parking signs and lines introduction and replenishment		200	200	200	200	800							800		800
	24,599	31,331	11,697	10,871	9,230	87,728	15,750	2,102	759	3,449	240	1,695	63,735		87,729

TOTAL CAPITAL FUNDING													
Housing	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Alexandra Road	33					33			33				33
Hostel Refurbishment Programme		100	100	69		269			148		121		269
Housing Association Development Programme - New Affordable Homes		1,416				1,416		1,416					1,416
Disabled Facilities Grants Programme	3,353	2,563	2,627	2,692	2,760	13,995	5,134		400	22		8,439	13,995
Empty Properties (45)	1,500	1,500	1,500	1,000	1,000	6,500						6,500	6,500
Decent Homes Programme	107	107	107	107	107	535						535	535
Moxton Street Land purchases	750					750					750		750
Social Mobility Fund -	210	540				750	750						750
DECC - Fuel Poverty	40	23				63	63						63
	5,993	6,249	4,334	3,868	3,867	24,311	5,947	1,416	581	22	871	15,474	24,311

Policy & Resources	TOTAL CAPITAL FUNDING												
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Customer access Centre													
Depot relocation	21,085	9,580	49			30,714			30,688			26	30,714
Community Centre	1,300	181				1,481			881	600			1,481
Asset Management	2,720	1,000	1,000	1,000	1,000	6,720						6,720	6,720
Information Management	500	1,000				1,500						1,500	1,500
Libraries – Commissioning Plan 2015-2020	2,000					2,000						2,000	2,000
Centre for Independent Living & Libraries	1,006	1,970				2,976	1,476				1,500		2,976
Daws Lane Community Centre	320	2,680				3,000	1,178		1,822				3,000
ICT strategy	820	6,120	2,200			9,140			2,992			6,148	9,140
	29,751	22,531	3,249	1,000	1,000	57,531	2,654		36,383	600	1,500	16,394	57,531

Housing Revenue Account	TOTAL CAPITAL FUNDING											
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Reserve Receipts	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Major Works (excl Granv Rd)	10,539	5,430	4,950	4,550	4,550	30,019		29,086	933			30,019
Regeneration	1,950	2,130	1,270	900	720	6,970		6,410	560			6,970
Misc - Repairs	1,580	2,979	2,345	2,255	2,205	11,364		11,177	187			11,364
M&E/ GAS	14,318	8,722	9,977	6,592	6,257	45,866		44,187	1,679			45,866
Voids and Lettings	3,400	2,588	3,400	3,400	3,400	16,188		15,815	373			16,188
New Affordable Homes	7,034	249				7,283			5,810	1,473		7,283
Advanced Acquisitions (Regen Estates)	1,250	6,580	5,000	1,250		14,080				3,750	10,330	14,080
Moreton Close	900	12,518	1,582			15,000				4,500	10,500	15,000
Tranche 3 RP		2,000				2,000					2,000	2,000
Infil Homes		4,400				4,400				1,320	3,080	4,400
Brent Cross Extra Care		500	8,460	3,540		12,500	5,000			3,000	4,500	12,500
Dollis Valley	100					100				100		100
	41,070	48,097	36,984	22,487	17,132	165,770	5,000	106,677	9,540	14,143	30,410	165,770

Appendix 5

Delivery Unit	2015/16 Funding																
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Development Reserve	Capital Reserve	Borrowing	Total 2015/16	Grants	Other (incl. S106)	Capital Receipts
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults and Communities	4,450	6,094	15,914			26,458	3,202	641		207	150	250		4,450			
Children's education	43,112	57,423	28,622	42,782	31,645	203,584	27,720	4,288	408			9,454		43,112	20,942	4,564	140
Children's family services	4,437	11,430	2,640	680	230	19,417	431	525	50		448	2,984		4,437			1,554
Commercial	1,534	537	200	200	200	2,671		84		150	1,300			1,534			
Commissioning Group	29,751	22,531	3,249	1,000	1,000	57,531	1,006	22,925	600			5,220		29,751	1,648		13,435
Re delivery unit	68,689	91,239	63,914	35,679	17,442	276,963	7,167	565	537		24,479	35,942		68,690	11,043	5,085	2,628
Street Scene	2,460	1,452	1,997	1,171	1,155	8,235	388	147	756		120	847		2,461	423	105	15
The Barnet Group	33	100	100	69		302		33						33			100
Total - General Fund	154,467	190,805	116,636	81,581	51,672	595,161	39,912	29,207	2,558	150	26,497	54,698		154,467	34,056	9,754	17,872
Housing Revenue Account	41,070	48,097	36,984	22,487	17,132	165,770		2,596	29,956			1,295		41,071	280	1,114	6,127
Total - all services	195,537	238,902	153,620	104,068	68,804	760,931	39,912	31,803	32,514	150	26,497	55,993		195,538	34,336	10,869	23,999

Appendix 5

Delivery Unit	2016/17 Funding							2017/18 Funding								
	RCCO/ MRA	Development Reserve	Capital Reserve	Borrowing	Total 2016/17	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA	Development Reserve	Capital Reserve	Borrowing	Total 2017/18	Grants	Other (incl. S106)	Capital Receipts
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults and Communities	208		3,250	2,636	6,094							15,914	15,914			
Children's education				31,777	57,423	16,096	3,251					9,275	28,622	7,000	5,000	
Children's family services			2,470	7,406	11,430					1,270		1,370	2,640			
Commercial	12	50	275	200	537						200		200			
Commissioning Group			1,500	5,948	22,531			23				3,226	3,249			
Re delivery unit	209	40	27,592	44,641	91,239	6,166	1,321			32,069		24,358	63,914	6,666		
Street Scene	354			555	1,452			10	887			1,100	1,997			5
The Barnet Group					100			48		52			100			
Total - General Fund	782	90	35,087	93,162	190,805	22,262	4,572	81	887	33,391	55,443	116,636	13,666	5,000	5	
Housing Revenue Account	21,151			19,423	48,096	4,720	650	4,195	21,292		6,127	36,984		552	1,225	
Total - all services	21,934	90	35,087	112,585	238,900	26,982	5,222	4,276	22,179	33,391	61,570	153,620	13,666	5,552	1,230	

Appendix 5

Delivery Unit	2018/19 Funding						2019/20 Funding						Total				
	RCCO/ MRA	Development Reserve	Capital Reserve	Borrowing	Total 2018/19	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA	Development Reserve	Capital Reserve	Borrowing		Total 2019/20	Grants	Other (incl. S106)	Capital Receipts
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults and Communities														3,202		641	415
Children's education				30,782	42,782	7,000	3,000					21,645	31,645	78,758	17,056	4,427	408
Children's family services			400	280	680						230		230	431		2,079	50
Commercial				200	200						200		200			84	12
Commissioning Group				1,000	1,000						1,000		1,000	2,654		36,383	600
Re delivery unit			7,150	21,863	35,679	3,666						9,276	17,442	34,708	6,406	3,193	746
Street Scene	716			450	1,171							1,150	1,155	811	308	182	2,713
The Barnet Group			69		69											181	
Total - General Fund	716		7,619	54,575	81,581	10,666	3,000	5			4,500	33,501	51,672	120,563	23,771	47,170	4,944
Housing Revenue Account	17,145			3,565	22,487				17,132				17,132	5,000	9,540	14,143	106,677
Total - all services	17,861		7,619	58,140	104,068	10,666	3,000	5	17,132		4,500	33,501	68,804	125,563	33,311	61,313	111,620

Delivery Unit	Funding				Total
	Development Reserve	Capital Reserve	Borrowing	Total	
	£000	£000	£000	£000	£000
Adults and Communities		3,400	18,800		26,458
Children's education			102,933		203,583
Children's family services		4,588	12,270		19,417
Commercial	200	1,575	800		2,671
Commissioning Group		1,500	16,394		57,531
Re delivery unit	40	95,790	136,080		276,963
Street Scene		120	4,102		8,236
The Barnet Group		121			302
Total - General Fund	240	107,094	291,379		595,161
Housing Revenue Account			30,410		165,770
Total - all services	240	107,094	321,789		760,931

TOTAL CAPITAL FUNDING													
Adults and Communities	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Investing in IT	3,045					3,045	2,447		141	207		250	3,045
Transformation Care Grant	5					5	5						5
Sport and Physical Activities	1,400	5,886	15,914			23,200	750		500		3,400	18,550	23,200
CCTV Installation		208				208				208			208
	4,450	6,094	15,914			26,458	3,202		641	415	3,400	18,800	26,458

Children's Education	TOTAL CAPITAL FUNDING												
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Modernisation - Primary & Secondary	3,903	726				4,629	3,431		192	2		1,003	4,628
Urgent Primary Places - Temporary Allocated	1,821	270	250			2,341	2,090					251	2,341
Millbrook Park (MHE)	373					373		216	157	7		452	373
Orion Primary School	459					459							459
Blessed Dominic/St James	200	1,763				1,963	200					1,763	1,963
Moss Hall	84					84						84	84
Brunswick	60					60			35			25	60
Menorah Foundation	1,830					1,830			905	100		825	1,830
St Marys and St Johns	1,085					1,085	465			300		320	1,085
Martin Primary	81					81		26				55	81
Oakleigh School	37					37						37	37
Beis Yakov	107					107						107	107
St Joseph's RC Junior & St Joseph's RC Infants School	1,986					1,986	1,957					29	1,986
Monkfrith	1,252	2,590				3,842	1,880					1,962	3,842
Wren Academy	4,826	2,415				7,241	2,946		297			3,998	7,241
London Academy	5,500	3,806				9,306	6,242					3,064	9,306
Oak Hill Campus	250					250	250						250
Permanent Secondary Expansion Programme													
Christ College	85	11				96	50					46	96
Cophthall	106	326				432	432						432
Compton	277					277	276					1	277
Oak Lodge Special School	1,741	4,026				5,767	2,187					3,580	5,767

Children's Education	2015-16	2016-17	2017-18	2018-19	2019-20	Total	TOTAL CAPITAL FUNDING						Total
	£000	£000	£000	£000	£000	£000	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA	Capital Reserve	Borrowing	£000
Bishop Douglas	98					98	98						98
St Mary's & St John's	2,000					2,000	2,000						2,000
Infant Free School Meals Capital Fund	241					241	241						241
Other Projects													
Wave 1 - Whittings Hill	21	180				201						201	201
Wave 1 - Northway/Fairway	182	22				204		181				23	204
Primary Capital Programme	538					538		30				508	538
East Barnet & Project Faraday	101	463				564		140				424	564
Temporary Bulge Classes													
Primary Programme		11,000	9,000	6,000	4,000	30,000	22,482	268				7,250	30,000
Secondary Programme	3,500	10,500	1,000	15,000	19,000	49,000	11,000	1,238				36,762	49,000
SEN	5,850	2,000	2,000	2,000		11,850	1,462	1,000	2,426			6,962	11,850
Alternative Provision	4,000	4,000				8,000	7,000					1,000	8,000
Contingency	519	5,325	4,025	2,300	2,300	14,469	31					14,373	14,469
School place planning – meeting basic need for school places (primary and secondary school places)		8,000	12,347	17,482	6,345	44,174	12,038	14,309				17,827	44,174
	43,112	57,423	28,622	42,782	31,645	203,584	78,758	17,056	4,427	408		102,933	203,583

Children's Family Services	TOTAL CAPITAL FUNDING												
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
E Financial	10					10				10			10
Education Systems	50					50				50			50
Early Intervention System	47					47				47			47
Implementation of libraries Strategy	525	1,554				2,079			2,079				2,079
2 year old offer	246					246	246						246
Libraries – commissioning plan 2015-2020													
Early education - provision in west of borough	1,754	746	500			3,000						3,000	3,000
Social care placements - residential and fostering expansions	1,000	2,250	250	100	100	3,700						3,700	3,700
Information Management - replacement youth offending system and single view of data for children's	285	150	400			835	185					650	835
Early Learning Review	191	70	70			331					331		331
Youth Zone	200	2,400	1,200	400		4,200				4,200			4,200
Loft conversion and extension policy for Foster Carers	130	240	220	180	130	900						900	900
New Park House Children's home						80						80	80
Libraries Service Capital Works		3,940				3,940						3,940	3,940
	4,437	11,430	2,640	680	230	19,417	431		2,079	50	4,588	12,270	19,417

TOTAL CAPITAL FUNDING														
Commercial	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Development Reserve	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Lines and Signs	150	250				400					200	200		400
Parking Machines		12				12				12				12
CCTV	1,300					1,300						1,300		1,300
CCTV Projects Retention	84					84			84					84
Town Centre Bays		75				75						75		75
Parking signs and lines introduction and replenishment		200	200	200	200	800							800	800
	1,534	537	200	200	200	2,671			84	12	200	1,575	800	2,671

Commissioning Group	TOTAL CAPITAL FUNDING												
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Customer access Centre													
Depot relocation	21,085	9,580	49			30,714			30,688			26	30,714
Community Centre	1,300	181				1,481			881	600			1,481
Asset Management	2,720	1,000	1,000	1,000	1,000	6,720						6,720	6,720
Information Management	500	1,000				1,500						1,500	1,500
Libraries – Commissioning Plan 2015-2020	2,000					2,000						2,000	2,000
Centre for Independent Living & Libraries	1,006	1,970				2,976	1,476				1,500		2,976
Daws Lane Community Centre	320	2,680				3,000	1,178		1,822				3,000
ICT strategy	820	6,120	2,200			9,140			2,992			6,148	9,140
	29,751	22,531	3,249	1,000	1,000	57,531	2,654		36,383	600	1,500	16,394	57,531

Re delivery unit	TOTAL CAPITAL FUNDING										Total £000			
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA		Develop ment Reserve	Capital Reserve	Borrowing
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000	£000	£000
HIGHWAYS TfL - LOCAL IMPLEMENTATION PLAN														
Local Implementation Plan														
Local Implementation Plan 2014/15	275					275	275							275
Local Implementation Plan 2015/16	4,194					4,194	4,194							4,194
Local Implementation Plan 2016/17 and onwards		4,857	1,500	1,500	1,500	9,357	9,357							9,357
Major Schemes														
Bus stop Accessibility	400					400	400							400
Bridge Assessment	51					51	51							51
Air Quality Scheme	155					155	155							155
HIGHWAYS non-TfL														
Footway Reconstruction	0	119				119	119	76						119
Traffic Management	0	48				48	48	43						48
Colindale Development Area														
Reconstruction of Railway Bridges	0	850				850	850		29				821	850
Controlled Parking Zones		14				14	14	10					5	14
Colindale Station interchange		50				50	50		44				6	50
Improvement & Signalisation and Infrastructure		356				356	356	356						356
Public Transportation Improvements	0	103				103	103	98					5	103
Pedestrian Improvements programme		262				262	262	262						262
Colindale CPZ Parking Review Feasibility Study-		15				15	15	11					5	15
Colindale Hospital														
Highways Investment Programme		610				610	610	546					65	610
Travel Plan Implementation		235				235	235	210					25	235
Carriageways		4,000				4,000	4,000						4,000	4,000

Re delivery unit	TOTAL CAPITAL FUNDING													
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA	Development Reserve	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Carriageways (Phase 2)						3			3					3
Outstanding Transport Commitments on Completed Schemes		3				40					40			40
Highways Planned Maintenance Works Programme		40												
CCTV Projects Retention														
Pavements	118	2,000				2,118							2,118	2,118
Pavements (Phase 2)		133				133				133				133
Pothole Fund	1					1	1							1
Saracens		17				17		17						17
Drainage Schemes	0	493				493	69						423	493
Refurbish and regenerate Hendon Cemetery and Crematorium	515	668				1,183				591			592	1,183
Borough Cycling Programme	231	206				437	437							437
Road Traffic Act - Controlled Parking Zones		184				184		164	4				15	184
Parking	(0)	30				30		2	28					30
Investment in Roads & Pavement	14,500	13,830	8,000	8,000	6,375	50,705							50,705	50,705
GF Regeneration		2,478				2,478			2,300				178	2,478
Mill Hill East	23	219	100	100	100	542							542	542
Outer London Fund - Cricklewood	108	45				153	153							153
Outer London Fund - North Finchley	34	186				220	220							220
BXC - Funding for land acquisition	21,000	15,000	22,969			58,969					58,969			58,969
Graham Park Regeneration -Building works				750		8,807	2,000	2,807				4,000		8,807
Graham Park Regeneration -Infrastructure improvements	168	4,318	3,571			12,000	3,500	150				8,350		12,000
Colindale - Lanacre Ave/Aerodrome rd Junction	750	2,250	3,750	3,500	1,750	6,950						6,950		6,950
Colindale - Grahame park decant programme	500	4,200	1,750	250	250									

Re delivery unit	TOTAL CAPITAL FUNDING										Total			
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/MRA		Develop ment Reserve	Capital Reserve	Borrowing
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
West Hendon Highway Improvement	60	690	2,950	3,750	3,600	11,050	3,350				7,700			11,050
Town Centre	598	3,411	2,000	3,000		9,009	4,598	240			4,171			9,009
Thames Link Station	1,250	3,650				4,900					4,900			4,900
Office Build	6,890	19,300	13,090	11,030		50,310							50,310	50,310
Development pipeline	10,743					10,743							10,743	10,743
Housing Association Development Programme - New Affordable Homes		1,416				1,416		1,416						1,416
Hendon Cemetry & Crematorium Enhancement	165	220				385			385					385
Disabled Facilities Grants Programme	3,353	2,563	2,627	2,692	2,760	13,995	5,134		400	22			8,439	13,995
Empty Properties (45)	1,500	1,500	1,500	1,000	1,000	6,500							6,500	6,500
Decent Homes Programme	107	107	107	107	107	535							535	535
Moxton Street Land purchases	750					750					750			750
Social Mobility Fund -	210	540				750	750							750
DECC - Fuel Povety	40	23				63	63							63
	68,689	91,239	63,914	35,679	17,442	276,963	34,708	6,406	3,193	746	40	95,790	136,080	276,963

Streetscene	TOTAL CAPITAL FUNDING													
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA	Develop ment Reserve	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Improvements to Six of the Borough's Parks	5					5		5						5
Cophall Car Park														
Old Court House - public toilets	40					40		40						40
Parks & Open Spaces and Tree Planting	93	105				198		198						198
Lagan System	120					120					120			120
Park Infrastructure	200	145				345	18	65		20			242	345
Waste	477					477			132	345				477
Weekly Collection Support Scheme	370	423				793	793							793
Fuel Storage Tank		60				60							60	60
Replacement Bins	250	250	250	250	250	1,250						1,250		1,250
Street litter bins	15	15	10	5	5	50			50					50
Parks Equipment			100	100	100	300						300		300
Vehicles	500	100	750	100	800	2,250							2,250	2,250
Waste and recycling vehicles		190	530	270		990				990				990
Street cleansing and greenspaces - vehicles and equipment	391	164	357	446		1,358				1,358				1,358
	2,460	1,452	1,997	1,171	1,155	8,235	811	308	182	2,713		120	4,102	8,236

TOTAL CAPITAL FUNDING													
Barnet Group	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	Other (incl. S106)	Capital Receipts	RCCO/ MRA	Capital Reserve	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Alexandra Road	33					33			33				33
Hostel Refurbishment Programme		100	100	69		269			148		121		269
	33	100	100	69		302			181		121		302

Housing Revenue Account	TOTAL CAPITAL FUNDING												
	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Grants	RCCO/ MRA	Other (incl. S106)	Capital Reserve	Capital Receipts	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Major Works (excl Granv Rd)	10,539	5,430	4,950	4,550	4,550	30,019		29,086	933				30,019
Regeneration	1,950	2,130	1,270	900	720	6,970		6,410	560				6,970
Misc - Repairs	1,580	2,979	2,345	2,255	2,205	11,364		11,177	187				11,364
M&E/ GAS	14,318	8,722	9,977	6,592	6,257	45,866		44,187	1,679				45,866
Voids and Lettings	3,400	2,588	3,400	3,400	3,400	16,188		15,815	373				16,188
New Affordable Homes	7,034	249				7,283			5,810		1,473		7,283
Advanced Acquisitions (Regen Estates)	1,250	6,580	5,000	1,250		14,080					3,750	10,330	14,080
Moreton Close	900	12,518	1,582			15,000					4,500	10,500	15,000
Tranche 3 RP		2,000				2,000						2,000	2,000
Infil Homes		4,400				4,400					1,320	3,080	4,400
Brent Cross Extra Care		500	8,460	3,540		12,500	5,000				3,000	4,500	12,500
Dollis Valley	100					100					100		100
	41,070	48,097	36,984	22,487	17,132	165,770	5,000	106,677	9,540		14,143	30,410	165,770

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Revised 2015/16 and 2016/17 to 2018/19

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1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Reporting requirements

Treasury activity is monitored and reported internally to the Chief Operating Officer. The Prudential Indicators will be monitored through the year and reported as follows:

The Chief Operating Officer will report to the Performance and Contract Monitoring Committee on treasury management activity and performance and on related Performance Indicators:

- (a) Quarterly against the strategy approved for the year.
- (b) The Council will produce an outturn report on its treasury activity no later than 30th September after the financial year.

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;

- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses external treasury management advisors. Capita Asset Services, Treasury solutions, the current advisers were appointed in August 2015 following the expiry of the contract with Arlingclose Limited in July 2015.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon external advisers

It also recognises that there is value in employing external advisers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

1.6 The purpose of this Treasury Management Strategy Statement is to seek approval for:

- **Revisions to Treasury Management Strategy and Prudential Indicators for 2015/16;**
- **Treasury Management Strategy for 2016/17;**
- **Annual Investment Strategy for 2016/17;**
- **Prudential Indicators for 2016/17, 2017/18 and 2018/19;**
- **MRP statement (see para 2.3).**

1.7 The main recommended revisions to the Treasury Management Strategy are:

- **Further diversification of financial instruments into more secure / higher yield asset classes in consultation with council's investment advisor;**
- **Decisions in respect of investments over two years will be taken in consultation with the council's investment advisor and approved by the Chief Finance Officer;**
- **The prudential indicators have been updated to reflect the council's capital programme and future borrowing requirement; and**
- **The strategy has been updated to reflect the latest forecast for interest rates. Base rate is expected to remain at 0.5% for most of 2016/17 and therefore the assumptions in the budget strategy for interest receipts remain the same.**
- **The proposed criteria for specified and non-specified investments are shown in section 5.4.**

2 THE CAPITAL PRUDENTIAL INDICATORS 2016/17 – 2018/19

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Other long term liabilities. The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure £m	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non-HRA	154,567	190,805	99,667	81,581	51,672
HRA	41,070	48,097	36,984	22,487	17,132
Total	195,537	238,902	153,620	104,068	68,804
Financed by:					
Capital receipts	31,802	41,214	4,276	1,230	5
Capital grants	39,911	34,056	22,262	13,666	10,666
Capital reserves	29,956	21,151	21,292	17,145	17,132
Revenue	37,875	29,894	44,220	13,887	7,500
Net financing need for the year 'borrowing'	55,993	112,585	61,570	58,140	33,501

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has one PFI scheme within the CFR. The Council's treasury portfolio position at 31 March 2016, with forward projections is summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing

	31/03/2016 Estimate £000	31/03/2017 Estimate £000	31/03/2018 Estimate £000	31/03/2019 Estimate £000	31/03/2020 Estimate £000
General Fund CFR	187,637	233,515	325,417	390,787	443,453
HRA CFR *	199,559	201,614	221,037	227,164	230,729
Total CFR	387,196	435,129	546,454	617,951	674,182
Less: Existing Profile of Borrowing and Other Long Term Liabilities	-321,194	-320,860	-320,487	-320,114	-319,741
Cumulative Gross Borrowing Requirement					
Usable Reserves	66,002	114,269	225,967	297,836	354,441
Cumulative Net Borrowing Requirement/ (Investments)	-200,000	-200,000	-100,000	-100,000	-100,000

2.3 Minimum revenue provision (MRP) policy statement 16-17

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG regulations have been issued which require the full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt

redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

Options 1 and 2 may be used only for supported non –HRA capital expenditure funded from borrowing. Methods of making prudent provision for self-financed expenditure include Options 3 and 4 (which may also be used for supported non HRA capital expenditure if the Council chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded for borrowing (Barnet policy).

The MRP Statement will be submitted to Council before the start of the 2016/17 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

The Council will apply Option 2 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.

MRP in respect of leases brought on Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

Repayments included in annual PFI or finance leases are applied as MRP.

The Authority is establishing a company which will be provided with loans from the Authority on a commercial basis. The cash advances will be used by the company to fund capital expenditure and should therefore be treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of loans advanced and under the terms of contractual loan agreements are due to be returned in full by 2040, with interest paid. Once funds are returned to the Authority, the returned funds are classed as a capital receipt, off-set against the CFR, which will reduce accordingly. As the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application. The outstanding loan/CFR position will be reviewed on an annual basis and if the likelihood of default increases, a prudent MRP policy will commence.

The Council will also consider taking a MRP’ holiday’ in relation to Council capital borrowing to fund the Council’s contribution to the Thameslink project. MRP will commence once income streams from business rates are received . This development will attract MRP but over the life of the asset .There is not a right off in the year of borrowing as it is not the Council’s asset.

2.4 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact

of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.5 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non-HRA	3.55	4.83	6.74	8.30	9.76
HRA	13.13	14.20	16.20	17.17	18.35

The estimates of financing costs include current commitments and the proposals in this budget report.

2.6 Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Incremental impact of capital investment decisions on the band D council tax

£	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Council tax band D	21.58	47.09	58.16	35.55	24.87

2.7 Estimates of the incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

Incremental impact of capital investment decisions on housing rent levels

£	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Weekly housing rent levels	-0.50	23.53	12.47	-19.73	-25.74

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The Council's forecast treasury portfolio position at 31 March 2016, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
External Debt					
Debt at 1 April	304,080	304,080	450,218	522,087	578,692
Expected change in Debt	0	61,222	107,357	61,570	58,140
Other long-term liabilities (OLTL)	16,780	16,407	16,034	15,661	15,288
Expected change in OLTL	-373	-373	-373	-373	-373
Actual gross debt at 31 March	320,487	381,336	573,236	598,945	651,747
The Capital Financing Requirement	435,129	546,454	617,951	674,182	705,223
Under / (over) borrowing	114,642	165,118	44,715	75,237	53,476

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Chief Operating Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary: This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £m	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2018/19 Estimate
Debt	603,261	657,366	696,830	711,191	729,666
Other long term liabilities	16,780	16,407	16,034	16,034	16,034
Total	620,041	673,773	712,864	727,225	745,700

The authorised limit for external debt: A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised Limit £m	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt	603,261	657,366	696,830	711,191	729,666
Other long term liabilities	31,780	31,407	31,034	31,034	31,034
Total	635,041	688,773	727,864	742,225	760,700

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £m	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
HRA DEBT CAP	240,043	240,043	240,043	240,043	240,043
HRA CFR	201,614	221,037	227,164	230,729	230,729
HRA headroom	-38,429	-19,006	-12,879	-9,314	-9,314

3.3 Prospects for interest rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the central view.

	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PWLB rate	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
25yr PWLB rate	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
50yr PWLB rate	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%

UK: UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006

and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a slight increase in quarter 2 to +0.5% (+2.3% y/y) before weakening again to +0.4% (2.1% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.

The Inflation Report was also notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation. There is therefore considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back.

USA. The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3. The run of strong monthly increases in nonfarm payrolls figures for growth in employment in 2015 prepared the way for the Fed. to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it

is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. An anti-austerity coalition has won a majority of seats in Portugal while the general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with new loan debt (external borrowing), as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Chief Operating Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in both the USA and UK, an increase*

in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

Any borrowing decisions will be done under delegated authority and reported to the Policy and Resources Committee.

Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is recommended to approve the following treasury indicators and limits:

£m	2016/17	2017/18	2018/19
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rate exposure	100%	100%	100%
Limits on variable interest rate exposure	30%	30%	30%
Maturity structure of fixed interest rate borrowing 2016/17			
	Lower	Upper	
Under 12 months	0%	50	
12 months to 2 years	0%	50	
2 years to 5 years	0%	75	
5 years to 10 years	0%	75	
10 years to 50 years	0%	100	
Maturity structure of variable interest rate borrowing 2016/17			
	Lower	Upper	
Under 12 months	0%	50	
12 months to 2 years	0%	50	
2 years to 5 years	0%	75	
5 years to 10 years	0%	75	
10 years to 50 years	0%	100	

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within

forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to Policy Resources Committee at the earliest meeting following its action.

3.7 Municipal Bond Agency

It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority intends to make use of this new source of borrowing as and when appropriate.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendix 5.3 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Chief Operating Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Capita Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur

and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions. (The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA- and have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
 - i. Short Term *F+ or equivalent*
 - ii. Long Term *A- or equivalent*
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland.(RBS)This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
- Banks 3 – The Council's own banker (currently RBS) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- Bank subsidiary and treasury operation -. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above..
- Building societies. The Council will *use* all societies which:
 - i. Meet the ratings for banks outlined above; or on the advice of TM adviser if criteria not met.
- Money market funds (MMFs) – AAA
- Enhanced money market funds (EMMFs) - AAA
- UK Government (including gilts and the DMADF)
- Local authorities, parish councils etc
- Supranational institutions
- *Subject to formal approval the Council intends to lend funds of up to £65 million, to the Barnet Group Registered Provider Open Door to finance social housing. This is classified as being a policy investment, rather than a treasury management investment, and is therefore outside of the specified / non specified investment categories.*

A limit of £150 million will be applied to the use of non-specified investments. The types of investments that may be used by the Authority and whether they are specified or non-specified are set out in the table below:

Specified and Non-Specified Investments

Investment	Specified	Non-Specified
------------	-----------	---------------

Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Investments with Registered Providers	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	x
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	x
Commercial Paper	✓	x
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	x
Other Money Market and Collective Investment Schemes (Pooled Funds)	✓	✓
Other pooled equity and property funds	✓	✓
Debt Management Account Deposit Facility	✓	x

Investments with Registered Providers will be analysed on an individual basis and discussed with the Council's treasury adviser prior to an investment decision.

Any institution can be suspended or removed should any factors give rise to concern.

The minimum credit rating for non-UK sovereigns is AA+ (or equivalent). For specified investments the minimum long term rating for counterparties is A- (or equivalent). As detailed in non-specified investments in Appendix E, the Director of Finance will have discretion to make investments with counterparties that do not meet the specified criteria on advice from the treasury adviser

Any institution will be suspended or removed should any of the factors identified above give rise to concern. Credit ratings are monitored by the Authority on an on-going basis and whenever a new investment is under consideration. The Authority is informed by the treasury adviser of ratings changes and appropriate action to be taken.

It remains the Council's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating

Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

The proposed criteria for specified and non-specified investments are shown in Appendix 5.4 for approval.

4.3 Country and sector limits

Due care will be taken to consider the country, group and sector exposure of the Council's investments.

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch, or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

In addition:

- no more than £25 million will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.75%
- 2017/18 1.25%
- 2018/19 1.75%
- 2021/22 2.75%
- 2022/23 2.75%

The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk.

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	2016/17	2017/18	2018/19
Principal sums invested > 364 days	£m 150	£m 150	£m 150

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

4.5 Icelandic bank investments

The Council holds a residual balance in relation to the former Icelandic bank Glitnir. This is held in an escrow account and subject to currency controls. It is intended to sell this asset and repatriate funds due as soon as currency export restrictions are lifted by the Icelandic Government.

4.6 Investment risk benchmarking

This Council will use an investment benchmark to assess the investment performance of its investment portfolio of the 7 day LIBID rate.

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity for the previous year.

5 APPENDICES

(These can be appended to the report or omitted as required)

1. Economic background
2. Treasury management practice– credit and counterparty risk management on
3. Approved countries for investments

Annex 1

Economic Background

UK. UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 2015 was weak at +0.4% (+2.9% y/y), although there was a slight increase in quarter 2 to +0.5% before weakening again to +0.4% (+2.1% y/y) in quarter 3. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% – 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.1%.

Since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK. Bank of England Governor Mark Carney has set three criteria that need to be met before he would consider making a start on increasing Bank Rate. These criteria are patently not being met at the current time, (as he confirmed in a speech on 19 January):

- *Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in Q2 2015, but Q3 came up short and Q4 looks likely to also fall short.*
- *Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 @ 1.2%. December 2015 saw a slight increase to 1.4%.*
- *Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.*

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% y/y. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely

get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but only to be followed by a second, subsequent round of falls in fuel and commodity prices which will delay a significant tick up in inflation from around zero. CPI inflation is now expected to get back to around 1% in the second half of 2016 and not get near to 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase.

However, with the price of oil having fallen further in January 2016, and with sanctions having been lifted on Iran, enabling it to sell oil freely into international markets, there could well be some further falls still to come in 2016. The price of other commodities exported by emerging countries could also have downside risk and several have seen their currencies already fall by 20-30%, (or more), over the last year. These developments could well lead the Bank of England to lower the pace of increases in inflation in its February 2016 Inflation Report. On the other hand, the start of the national living wage in April 2016 (and further staged increases until 2020), will raise wage inflation; however, it could also result in a decrease in employment so the overall inflationary impact may be muted.

Confidence is another big issue to factor into forecasting. Recent volatility in financial markets could dampen investment decision making as corporates take a more cautious view of prospects in the coming years due to international risks. This could also impact in a slowdown in increases in employment. However, consumers will be enjoying the increase in disposable incomes as a result of falling prices of fuel, food and other imports from emerging countries, so this could well feed through into an increase in consumer expenditure and demand in the UK economy, (a silver lining!). Another silver lining is that the UK will not be affected as much as some other western countries by a slowdown in demand from emerging countries, as the EU and US are our major trading partners.

There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, accordingly, arguments that rates ought to rise sooner and quicker, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would aggressively raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively over the last year from Q4 2015 to Q4 2016. Increases after that are also likely to be at a much slower pace, and to much lower final levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers and householders than they did before 2008. There has also been an increase in momentum towards holding a referendum on membership of the EU in 2016, rather than in 2017, with Q3 2016 being the current front runner in terms of timing; this could impact on MPC considerations to hold off from a first increase until the uncertainty caused by it has passed.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20 and this timetable was maintained in the November Budget.

USA. GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded remarkably strongly in Q2 to 3.9% (annualised) before falling back to +2.0% in Q3.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. would start to increase rates in September. The Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed. to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong while November was also reasonably strong (and December was outstanding); this, therefore, opened up the way for the Fed. to embark on its first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. A left wing / communist anti-austerity coalition has won a majority of seats in Portugal. The general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

China and Japan. Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.2% after a short burst of strong growth of 1.1% during Q1, but then came back to +0.3% in Q3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth, and increase the rate of inflation from near zero, are likely to

prove when it has already fired the first two of its 'arrows' of reform but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 and the start of 2016, in implementing several stimulus measures to try to ensure the economy hits the growth target of about 7% for 2015. It has also sought to bring some stability after the major fall in the onshore Chinese stock market during the summer and then a second bout in January 2016. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, there are growing concerns about whether the Chinese economy could be heading for a hard landing and weak progress in rebalancing the economy from an over dependency on manufacturing and investment to consumer demand led services. There are also concerns over the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September and again in January 2016, which could lead to a flight to quality to bond markets. In addition, the international value of the Chinese currency has been on a steady trend of weakening and this will put further downward pressure on the currencies of emerging countries dependent for earnings on exports of their commodities.

Emerging countries. There are also considerable concerns about the vulnerability of some emerging countries, and their corporates, which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis, (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries), there is now a strong flow back to those western economies with strong growth and a path of rising interest rates and bond yields.

The currencies of emerging countries have therefore been depressed by both this change in investors' strategy, and the consequent massive reverse cash flow, and also by the expectations of a series of central interest rate increases in the US which has caused the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a time when their earnings from commodities are depressed by a simultaneous downturn in demand for their exports and a deterioration in the value of their currencies. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Capita Asset Services undertook its last review of interest rate forecasts on 19 January 2016. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. . There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 4 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. At some future point in time, an increase in

investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently to the downside, given the number of potential headwinds that could be growing on both the international and UK scene. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in January 2016, (based on short sterling), for the first Bank Rate increase are currently around quarter 1 2017.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a flight to safe havens.
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Annex2: Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Annex 2 Practice (TMP1) – Credit and Counterparty Risk Management

The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 23 March 2003 and will apply its principles to all investment activity. In accordance with the Code, the Chief Operating Officer has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's and / or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society For category 5 this covers bodies with a minimum Short Term rating of F1 or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are a maximum of 364 days and a counterparty limit of £25 million.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category
a.	<p>Supranational bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. National Rail, the Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>
c.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>
d.	<p>Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies see Note 1</p>
e.	<p>Any bank or building society that has a minimum long term credit rating of AA₋, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>
f.	<p>Any non-rated subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to further advice on the appropriateness and associated risks with investments in these categories</p>
g.	<p>Share capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will</p>

	not be invested in corporate bodies. See note 1 below.
h.	Loan capital in a body corporate. See note 1 below
i.	Bond funds. See note 1 below.
j.	Property funds – The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.

NOTE 1. This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly) On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Finance, and if required new counterparties which meet the criteria will be added to the list.

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria. A maximum of £150 million ** will be held in aggregate in non-specified investment

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Recommended Sovereign and Counterparty List

For credit rated counterparties, the minimum criteria will be the lowest equivalent long-term ratings assigned by Fitch, Moody's and Standard & Poor's (where assigned).

Long-term minimum: A-(Fitch); A (Moody's); A (S&P)

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

Investment subject to £150 million total limit if duration more than 364 days

Group Limits - For institutions within a banking group, the authority executes a limit of 1.5 times the individual limit of a single bank within that group.

New specified investments will be made within the following limits:

Instrument	Country/ Domicile	Counterparty	Maximum Limits £m	Counterparty
Term Deposits	UK	DMADF, DMO	No limit	
Term Deposits/Call Accounts	UK	Other UK Local Authorities	£25 million	
Term Deposits/Call Accounts	UK*	Counterparties rated at least A- Long Term)	£25 million	
Term Deposits/Call Accounts	Non-UK*	Counterparties rated at least A- Long Term in select countries with a Sovereign Rating of at least AA-	£25 million	
CDs and other negotiable instruments		with banks and building societies which meet the specified investment criteria (on advice from TM Adviser)	£25 million	
Deposits	UK	Registered Providers (Former RSLs)	£5m per RP	
Gilts	UK	DMO	No limit	
T-Bills	UK	DMO	No limit	
Bonds issued by multilateral development banks		(For example, European Investment Bank/Council of Europe, Inter American Development Bank)		
AAA-rated Money Market Funds	UK/Ireland/ Luxembourg domiciled	CNAV MMF's VNAV MMF's (where there is greater than 12 month history of a consistent £1 Net Asset Value)	10% of total LBB investment cash outstanding, for each MMF.	
Other MMF's and CIS	UK/Ireland/ Luxembourg domiciled	Collective Investment Schemes (pooled funds) which meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573 and subsequent amendments	10% of total LBB investment cash outstanding, for each MMF/CIS.	

For Non-UK Banks - a maximum exposure of £40 million per country will apply to limit the risk of over-exposure to any one country.

**Non-specified investments may be made with the following instruments:
(The Authority will have a maximum of £100million of its investment portfolio in non-specified investments.)**

Instrument	Maximum maturity	Max £M of portfolio and Credit limit	Capital expenditure?	Example
Term deposits with banks, building societies which meet the specified investment criteria	10 years	£10m per counterparty	No	
Term deposits with local authorities	10 years	£25m per authority	No	
CDs and other negotiable instruments with banks and building societies which meet the specified investment criteria	10 years	£10m per counterparty	No	
Gilts	10 years	£20 million Credit limit not applicable gilts issued by UK Government	No	
Bonds issued by multilateral development banks	10 years	£20 million Minimum credit rating AA+	No	EIB Bonds, Council of Europe Bonds etc.
Sterling denominated bonds by non-UK sovereign governments	5 years	£20 million Minimum credit rating AA+	No	
Other Non-Specified investments for consideration (such investment will be subject to credit assessment by the Council's treasury advisor on a case by case basis)				
Money Market Funds and Collective Investment Schemes	N/A – these funds do not have a defined maturity date	£25 million	No	Investec Target Return Fund; Elite Charteris Premium Income Fund; LAMIT; M&G Global Dividend Growth Fund
Deposits with registered providers	5 years	£5m per registered provider/£20 million overall	No	Barnet Homes Open Door not within TMS
Corporate and debt instruments issued by	5 years	20%	No	

corporate bodies purchased from 01/04/12 onwards				
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573 and subsequent amendments	N/A – these funds do not have a defined maturity date	£10 million	Yes	Way Charteris Gold Portfolio Fund; Aviva Lime Fund
Bank or building societies not meeting specified criteria	3 months	£10m per counterparty	No	Bank or building societies not meeting specified criteria

5.2 Practice (TMP1) – Credit and Counterparty Risk Management

The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 23 March 2003 and will apply its principles to all investment activity. In accordance with the Code, the Chief Operating Officer has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

6. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
7. Supranational bonds of less than one year's duration.
8. A local authority, parish council or community council.
9. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's and / or Fitch rating agencies.

10. A body that is considered of a high credit quality (such as a bank or building society For category 5 this covers bodies with a minimum Short Term rating of F1 or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are a maximum of 364 days and a counterparty limit of £25 million.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
k.	<p>Supranational bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. National Rail, the Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	
l.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	
m.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	
n.	<p>Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £XXm, but will restrict these type of investments to <i>XXX (insert local criteria from body of main report)</i></p>	
o.	<p>Any bank or building society that has a minimum long term credit rating of AA₋, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	
p.	<p>Any non rated subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to further advice on the</p>	

	appropriateness and associated risks with investments in these categories	
q.	Share capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.	
r.	Loan capital in a body corporate. See note 1 below	
s.	Bond funds. See note 1 below.	
t.	Property funds – The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.	

NOTE 1. This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly) On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Finance, and if required new counterparties which meet the criteria will be added to the list.

10.3 APPENDIX: Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher and also, have banks operating in sterling markets which have credit ratings of green or above in the Capita Asset Services credit worthiness service.

AAA

- Australia
- Canada

AA+

- U.K.

Housing Revenue Account (HRA) HRA Business Plan

1. HRA Business Plan Overview

- 1.1 Following the introduction of self- financing for Housing Revenue Accounts in April 2012, the council has developed an HRA Business Plan which sets out priorities for investment in council housing in the Borough.
- 1.2 The HRA settlement meant that the council will benefit from reduced HRA expenditure, as the cost of servicing the HRA debt figure is lower than the amount that was being paid treasury in the form of negative subsidy.
- 1.3 In addition, the settlement provided the council with the opportunity to borrow an additional £38m as a result of headroom generated by differences between the actual HRA debt and the amount assumed in the settlement.
- 1.4 An updated HRA Business Plan was agreed by the council's Housing Committee in October 2015 to take account of a number of national policies that impact on the HRA, including:
 - **Rents Policy** – social housing rents will reduce by 1% per annum for the next 4 years
 - **Right to Buy** - sales have increased following the enhancement of the Right to Buy scheme for council tenants
 - **Sale of high value homes** – local authorities will pay a levy to the Government which assumes that high value council homes will be sold as they become empty
 - **Pay to Stay** – council tenants earning more than £40,000 a year will pay a higher rent, which could increase Right to Buy sales.
 - **Welfare Reform** – is expected to see an increase in bad debt

2. HRA Priorities

- 2.1 The following priorities have been identified in the HRA Business Plan:
 - Maintaining the quality of the existing supply of council housing
 - Investment in the delivery of new affordable homes for rent
 - Increasing the supply of housing to help tackle homelessness
 - Investment in new homes for vulnerable people
 - Efficient and effective services

3. Investment Plan

- 3.1 The following allocations of funding have already been agreed and are progressing:

Existing Stock - Investment of £195m over the period 2015/16 to 2024/25

New Homes – Investment of £8.3m to deliver an initial tranche of 40 new homes on infill sites on HRA land in the borough.

Supported Housing - £12.3m for a new supported housing scheme at Morton Close

Regeneration- £8.7m for advanced acquisitions on Regeneration Estates

- 3.2 In addition, the HRA Business Plan considers two scenarios, which are dependent on whether the council's Arm's Length Management Organisation (ALMO), Barnet Homes, is successful in establishing a Registered Provider (RP) to build and own new homes on HRA land.
- 3.3 If the RP is approved by the Homes and Communities Agency, the new homes it provides will be built with the aid of a loan from the Council (subject to approval by the Policy and Resources Committee). This will free up resources within the HRA to acquire properties on the open market for use as council housing, as well as provide a small number of new homes on infill sites within the HRA.
- 3.4 If the RP does not proceed, there are enough resources within the HRA for the council to build 120 new council homes on HRA land itself.
- 3.5 In both scenarios, the council intends to use the HRA to fund additional extra care housing in addition to the Moreton Close scheme.

Reserves and balances policy

Background

This policy sets out the Council's approach to reserves and balances. The policy has regard to LAAP Bulletin 99 'Local Authority Reserves and Balances', issued in July 2014.

In reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for both the general fund and the housing revenue account. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).

Types of reserve

The Council will maintain the following reserves:

- general reserve: to manage the impact of uneven cash flows and unexpected events or emergencies;
- specific reserves: sums set aside to meet known or predicted specific requirements.

Specific reserves will be maintained as follows:

- risk reserve: to manage litigation and other corporate risks not otherwise recognised;
- transformation reserve: to fund the transformation programme to change, protect and improve Council services;
- service development reserve: to enable the Council to respond to the most urgent corporate priorities;
- infrastructure reserve: to fund infrastructure necessary to enable development across the borough;
- PFI reserve: to manage the profile of grants and payments in respect of PFI projects;
- financing reserve: to enable the effective management of the medium-term financial strategy;
- schools reserve: balances in respect of delegated school budgets;
- service reserves: funds set aside for specific purposes in respect of individual Council services; and
- capital receipts reserve: capital receipts not yet applied to capital expenditure.

The Council also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts.

Principles to assess the adequacy of reserves

The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, the CFO will have regard to:

- the strategic financial context within which the Council will be operating through the medium-term;
- the overall effectiveness of governance arrangements and the system of internal control;
- the robustness of the financial planning and budget-setting process;
- the effectiveness of the risk management process and the potential impact of risks identified;
- the effectiveness of the budget monitoring and management process.

Having had regard to these matters, the CFO will advise the Council on the monetary value of the required general reserve.

The Council has also considered the Audit Commission's "Striking a Balance" report (December 2012) which outlines the need for elected members to ensure that their council's reserves are appropriate for local circumstances and the risk based considerations to facilitate this.

In considering specific reserves, the CFO will have regard to matters relevant in respect of each reserve, and will advise the Council accordingly.

Use of reserves

The use of reserves will be determined by the Policy & Resources Committee and make recommendations to Council informed by the advice of the CFO.

Corporate Risk Register

The following risk register represents those risks in place at the time of reporting at Quarter 3, the mitigation strategies in place for each risk and the proposed treatment of each risk.

SCORE	IMPACT				
	1 Negligible	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 Almost Certain	0	0	0	0	0
4 Likely	0	0	0	1	0
3 Possible	0	0	1	5	0
2 Unlikely	0	0	0	1	0
1 Rare	0	0	0	0	0

Risk	Current Assessment Impact Probability Rating	Control Actions	Target Assessment Impact Probability Rating
<p>Homelessness - ORG0039</p> <p>There is a risk that homelessness and the subsequent cost of providing emergency short term accommodation will continue to rise.</p> <p>Cause: The Council has an obligation to house people that are homeless and support families who are unintentionally homeless. Despite improvements in the economy, homelessness has continued at high levels within the borough due to a shortage of homes, and increasing housing costs, particularly in the private rented sector. Welfare reform means that poorer households receive less financial support with their</p>	<p>Major 4</p> <p>Likely 4</p> <p>High 16</p>	<p>Preventative: The Housing Strategy identifies 3 key areas where Barnet Homes and the Council are focusing their efforts to reduce homelessness:</p> <ul style="list-style-type: none"> increasing prevention activities, including joint working with job centre plus. increasing the supply of homes for households facing homelessness Making best use of existing resources through the Allocations Scheme and Tenancy Strategy <p>Detective: A number of mitigating actions have already been taken,</p>	<p>Moderate 3</p> <p>Unlikely 2</p> <p>Medium Low 6</p>

Risk	Current Assessment Impact Probability Rating	Control Actions	Target Assessment Impact Probability Rating
<p>housing costs and landlords are increasingly seeking tenants who do not rely on housing benefit to pay their rent. The housing benefit subsidy levels for temporary accommodation have not increased since 2011 whilst costs have risen significantly. Further welfare reform and a freeze of LHA rates means more households will be at risk of homelessness, whilst potential reductions in social rents and Right to Buy proposals are likely to curtail the potential supply of affordable homes.</p> <p>Consequence: Substantial increase in homelessness including intentional homelessness where children are involved and the subsequent provision of affordable housing at a significant and increasing cost to the Council.</p>	<p>Major 4</p> <p>Possible 3</p> <p>Medium High 12</p>	<p>including a more commercial approach to working with private landlords, innovative TA solutions and redesigned services. The Welfare reform task force has helped households affected by welfare reform to avoid losing their home by accessing employment.</p> <p>LBB has agreed to fund a range of mitigations which Barnet Homes will deliver to reduce the Temporary Accommodation / Homeless demand focusing on maximising prevention, managing demand, and increasing affordable supply.</p>	<p>Moderate 3</p> <p>Possible 3</p> <p>Medium High 9</p>
<p>Financial Position - ORG0025</p> <p>Given the overall economic position, it is clear that cuts to government funding will continue until the end of the decade.</p> <p>Alongside this the Council now bears additional risks as a result of business rate reforms, whereby a contraction in economic activity in Barnet will see a reduction in Council funding. The recent announcement by the Chancellor on business rate localisation will fundamentally change the way local government is financed. This is both an opportunity for the Council to grow income but also a risk around economic fluctuations.</p> <p>The economic position also impacts on the costs of Council services, for example in terms of pressure on temporary accommodation and increases in benefit caseloads.</p> <p>Demographic changes mean that the Council</p>	<p>Major 4</p> <p>Possible 3</p> <p>Medium High 12</p>	<p>Preventative: The Council's financial planning cycle mitigates the risks associated with reductions in funding and increases in demand for services. Planning ahead enables the Council to mitigate the impact of increases in demand and ensure that the Councils overall financial position on reserves and contingency is sufficient.</p> <p>The Council has a total budget gap of £81m from 2016 through to 2020. Proposals to meet this budget gap will be going through theme committees in November, and the draft budget for consultation will be approved by Policy and Resources Committee in December. The final budget will be agreed by Council in March.</p> <p>Defective: Budget monitoring (revenue</p>	<p>Moderate 3</p> <p>Possible 3</p> <p>Medium High 9</p>

Risk	Current Assessment Impact Probability Rating	Control Actions	Target Assessment Impact Probability Rating
<p>faces a growing population, an ageing population and increasing numbers of young people, which adds further to the pressure and demand on services.</p> <p>Cause: Further government cuts, uncertainty over the local economic position for business rates and demographic changes.</p> <p>Consequence: Additional pressure and by implication cost in the delivery of services, reduction in income, coupled together providing a challenge for the Council's economic position.</p>	<p>Major 4</p>	<p>and capital) and financial management standards being adhered to.</p> <p>Recovery plans and alternative options reviewed in areas with overspends.</p> <p>Review capital programme profiling.</p> <p>Value for money indicators in use across the business.</p> <p>Monitoring delivery of Medium Term Financial Strategy.</p>	<p>Unlikely 2</p>
<p>Demographic and Population - ORG0035</p> <p>There is a risk that the organisation will not be prepared or able to respond to the impacts of demographic changes (e.g. gender, age, ethnicity, disability, education, employment) and/or population growth rate (birth, death, immigration, emigration) with insufficient social infrastructure (schools, older people homes), physical and green spaces, services and affordable housing to meet demand.</p> <p>Cause: Uncertainty of demographic changes and population growth, insufficient planning, monitoring and management of demand internally and externally where reliant on partner organisations.</p> <p>Consequence: Increased demand for public services generally, changing demand for types of services, costs spiral, reactive decision making, cuts to front line services or service failure.</p>	<p>Major 4</p> <p>Possible 3</p> <p>Medium High 12</p>	<p>Preventative: Test demographic change and population growth hypothesis against insight on customer profile, deeper interrogation of specific data sets (in/out migration) and identify potential gaps in data sets (availability of data, deficiency of existing data). New insight model which models impacts of growth in a number of key council services.</p> <p>The priorities and spending review (PSR) is key response to ensuring the organisation is sufficiently prepared for and able to respond to the impacts of population and demographic changes. Uncertainty is being reduced as service pressures and budget requirements are being analysed and underlying assumptions monitored and refined to ensure they remain valid as the organisation prepares to respond to this challenge.</p> <p>5 year budget proposals includes demographic change funding across key council service areas. Funding subject to annual review as part of</p>	<p>Major 4</p> <p>Unlikely 2</p> <p>Medium High 8</p>

Risk	Current Assessment Impact Probability Rating	Control Actions	Target Assessment Impact Probability Rating
		<p>finance and business planning. Understand approach with resident dependencies, equalities and health and wellbeing impact assessments.</p> <p>Growth Strategy, Housing Strategy, Regeneration Strategy and respective governance structures.</p> <p>Detective: The Commissioning Group supports the setting of strategic outcomes and development of commissioning strategies with a particular focus on cross cutting themes and risks. The Commissioning Board will review underpinning risk analysis at regular intervals to consider data, revisit assumptions, outcomes and controls.</p> <p>Partnership SCB has been introduced to enhance partnerships working in order to meet the financial challenges facing the public sector and collaborate on the development of future plans to both deliver transformation and improve outcomes</p>	
<p>People - ORG0036 There is a risk that the organisation's people (competence, skills, knowledge) and culture are not aligned with its medium and long term strategic direction and will not be able to deliver the improvements in service delivery and on-going change and innovation required to achieve its long term goals.</p> <p>Cause: The context in which the organisation operates is rapidly changing and demands continual service improvements. This requires the right organisational and developmental interventions to ensure the competence,</p>	<p>Major 4</p> <p>Possible 3</p> <p>Medium High 12</p>	<p>Preventative: To understand the current and required corporate and delivery unit plans to respond to gaps, recognising the need to create an internal environment that facilitates the generation of new ideas and entrepreneurship. To support change through leadership and people engagement (including through partners), to provide results for the organisation, its people and customers.</p>	<p>Moderate 3</p> <p>Possible 3</p> <p>Medium High 9</p>

Risk	Current Assessment Impact Probability Rating	Control Actions	Target Assessment Impact Probability Rating
<p>knowledge and skills necessary to deliver the strategic objectives. Failure to ensure the right learning, knowledge sharing, career development, training and commitment to generating new ideas will cause the risk to escalate and negatively impact service delivery.</p> <p>Consequence: The consequence of failure in this respect and the escalation of risk will be a skills/knowledge/competence gap in the organisation that will result in poorer service performance in the medium term and/or longer term strategic failure.</p>	<p>Major 4</p> <p>Possible 3</p> <p>Medium High 12</p>	<p>Detective: Through the risk management framework and robust and continuous risk analysis and monitoring of delivery unit risk profiles and action plans it will be possible to identify and ensure the right interventions and to identify 'early warning systems' where failure in this respect is impacting negatively on service delivery and strategic change..</p>	<p>Medium High 8</p>
<p><u>Commissioning Approach - ORG0041</u></p> <p>If there is not a clearly defined approach to commissioning in place that ensures consistent application of Commissioning Cycle activities then objectives becomes difficult to monitor or achieve.</p>	<p>Moderate 3</p> <p>Possible 3</p> <p>Medium High 9</p>	<p>The Council's Commissioning Plans and priorities to 2020 are in place and agreed via Committees in 2014/15. This supports delivery of the Council's draft Corporate Plan and Medium Term Financial Strategy, supported by meaningful qualitative performance indicators that are linked to outcomes.</p> <p>Preventative: Finance and Business Planning – feeding consultations into service design. Ensuring equalities is embedded within the Commissioning Group.</p> <p>Consultation strategy in place and transparency commitment confirmed.</p> <p>3rd sector strategy/ community resilience</p> <p>Social media – alternative methods of engaging with residents to be explored through future updates to the website</p> <p>Detective: Common understanding of the citizen engagement within the Council through review of complaints data analysis and prior consultations.</p>	<p>Major 4</p> <p>Unlikely 2</p> <p>Medium Low 6</p>
<p><u>Resident Engagement - ORG0029</u></p> <p>Failure to engage properly with Residents.</p> <p>Cause: The lack of an engagement policy, comprehensive plan and coordinated approach to consulting with residents</p> <p>Consequence: Legal Challenge, lack of public buy in, do not deliver the services resident want, Consultations not contributing to service design, lack of transparency on outcomes, customer satisfaction declines</p>	<p>Moderate 3</p> <p>Possible 3</p> <p>Medium High 9</p>	<p>The Council's Commissioning Plans and priorities to 2020 are in place and agreed via Committees in 2014/15. This supports delivery of the Council's draft Corporate Plan and Medium Term Financial Strategy, supported by meaningful qualitative performance indicators that are linked to outcomes.</p> <p>Preventative: Finance and Business Planning – feeding consultations into service design. Ensuring equalities is embedded within the Commissioning Group.</p> <p>Consultation strategy in place and transparency commitment confirmed.</p> <p>3rd sector strategy/ community resilience</p> <p>Social media – alternative methods of engaging with residents to be explored through future updates to the website</p> <p>Detective: Common understanding of the citizen engagement within the Council through review of complaints data analysis and prior consultations.</p>	<p>Moderate 3</p> <p>Unlikely 2</p> <p>Medium Low 6</p>

Risk	Current Assessment Impact Probability Rating	Control Actions	Target Assessment Impact Probability Rating
<p>Prosperous Borough - ORG0038 Barnet's position as a prosperous suburb is under threat from wider threats to London as a world city and infrastructure improvements connecting more and new places to London.</p> <p>Cause: Existing infrastructure near capacity, other places benefiting from new infrastructure digital technology making physical proximity less important wider threats to London as a world city</p> <p>Consequence: Barnet becomes less desirable as a place to live and work.</p>	<p>Major 4</p> <p>Unlikely 2</p>	<p>Performance indicators for customer satisfaction and customer care.</p> <p>Infrastructure delivery plan and Mayoral infrastructure 2050.</p> <p>Entrepreneurial Barnet - economic strategy for making Barnet the best place to be a small business</p> <p>Regular monitoring of resident and business satisfaction surveys</p> <p>West London Alliance: Implementation of the West London Alliance jobs, skills and growth programme.</p>	<p>Major 4</p> <p>Unlikely 2</p> <p>Medium High 8</p>
<p>Increasing costs of Adult Social Care - ORG0042</p> <p>There is a risk that the pressure on Adults budgets caused by increasing demographics and complexity will not be contained within existing budgets.</p> <p>Cause: The council has an obligation to provide social care for individuals assessed with demonstrating a need. Increasing demographic pressures and the complexity of the mental health and learning difficulty clients, along with supply side pressures is increasing the cost of Adult social care. In addition to this referrals from hospitals have increased by an average of 22% over the last</p>		<p>Preventative: Developing plans around increasing prevention activities. Ensuring effective information and advice is offered and promoting more independent living.</p> <p>Defective: Robust budget monitoring and financial standards being adhered to. Recovery plan in place to ensure current overspends are being addressed. Engagement with CCG to ensure referrals from hospitals are monitored and funded.</p>	

Risk	Current Assessment Impact Probability Rating	Control Actions	Target Assessment Impact Probability Rating
<p>2 years with a reduction in funding received from health for Winter Pressures.</p> <p>Consequence: A significant overspend in Adults would reduce the council's general fund reserve.</p>			

Dedicated Schools Grant (DSG) and Schools Budget 2016/17

The Dedicated Schools budget (DSG) for 2016/17 is made up of three notional funding blocks, each calculated on a different basis:

- Schools Block
- Early Years Block and
- High Needs Block.

The **Schools Block** is calculated using pupil numbers taken from the October 2015 schools census, multiplied by a guaranteed unit of funding (SBUF). Barnet's SBUF increased a little for 2016/17 to take account of the funding for the former non-recouped academies (London and Wren) and free schools. In 2015/16 Barnet received a lump sum in the DSG for these schools, but in 2016/17 the pupils in these schools are used to calculate the Schools Block of the DSG. The Schools Block is higher because there were more pupils on the census in October 2015 than a year earlier.

The amount per pupil in the **Early Years block** is the same as for 2015/16. The Early Years (EY's) Block is estimated using early years numbers taken from the Early Years and Schools census in January 2015. A further update to the 2015/16 DSG allocation will be made once the January 2016 EY's and Schools census numbers are finalised. This subsequent change will be made after the end of the financial year so forms part of the 2016/17 DSG. The early years pupil premium has been set at the same level as 2015/16 but may be subject to change. Unlike the main pupil premium, it forms part of the DSG. Funding for two year olds is calculated in a similar way to that for 3 and 4 year olds.

The **High Needs Block** is a cash amount and is based on the amount that was provided in 2015/16. Barnet received an additional £696k as part of an extra £100m distributed across all local authorities but received no funding for additional places needed for pupil growth. The final allocation is expected to be confirmed after the end of the 2015/16 financial year.

Pressures on the DSG expenditure budget

The main pressure on the DSG expenditure budget is due to the continuing growth in primary pupil numbers now feeding through into secondary schools. The non-capital cost of setting up new classes is estimated to be £3.6m for 2016/17.

Balancing the budget

The approach to balancing the 2016/17 budget has been similar to last year:

- Agreement by the Forum to use the £1.3m of DSG underspend carried forward from 2013/14 to support the budget gap by contributing to the growth fund and the nursery schools' transitional subsidy. The remaining

underspends from 2014/15 and 2015/16, £0.9m and £1.3m respectively, are planned to be carried forward earmarked for pupil growth at new and existing schools from 2017/18 to 2020/21. For 2017/18 and 2018/19, these are expected to total £2.6m. The cost of growth will be high for the next 5 years at least as the growth in primary moves into secondary and regeneration attracts new families into Barnet.

- Officers are continuing to ensure the needs of children with SEN are met wherever possible in local provision rather than expensive independent placements. The SEN budget review last year and improved management of statutory SEN processes has resulted in a significant reduction in the budget pressures arising in relation to High Needs budget.
- Provision for 2-year-olds places has grown sharply during 2015/16 and is planned to continue to rise in 2016/17 so that Barnet moves towards the target number of places set by the DfE.
- Contingency is being held to cover the non-capital cost of the final closure of St Mary's High School in July 2016.

Draft Schools Budget 2016/17						
		2016/17	2016/17	2016/17		2015/16
S251	S251 Description	Gross Budget before recoupment	Net Budget after recoupment	Gross Draft Budget reported to Schools Forum 15 October 2015	Change since Schools Forum	Net Budget after recoupment
Expenditure						
1.0.1	Individual Schools Budget before Academy recoupment	269,633,685	175,353,960	270,972,617	(1,338,932)	264,376,738
1.1.1	Contingencies	145,475	145,475	86,550	58,925	194,850
1.1.2	Behaviour Support Services	79,133	79,133	79,133	-	77,613
1.1.3	Support to UPEG and bilingual learners	87,001	87,001	87,001	-	85,564
1.1.9	Staff costs - supply cover for facility time	48,774	48,774	48,774	-	47,512
1.2.1	Top-up funding - maintained schools	16,969,414	16,969,414	16,593,822	375,592	16,142,716
1.2.2	Top-up funding - academies, free schools and colleges	7,434,145	7,434,145	7,021,783	412,362	6,854,903
1.2.3	Top-up and other funding - non-maintained and independent providers	9,084,010	9,084,010	8,680,292	403,718	9,835,971
1.2.5	SEN support services	3,425,542	3,425,542	3,198,212	227,330	3,198,188
1.2.6	Hospital education services	530,006	530,006	530,006	-	530,006
1.2.11	Direct payments (SEN & Disability)	300,000	300,000	200,000	100,000	200,000
1.3.1	Central expenditure on children under 5	979,072	979,072	979,072	-	979,072
1.4.1	Contribution to combined budgets	777,892	777,892	777,892	-	777,892
1.4.2	School Admissions	361,200	361,200	361,200	-	361,200
1.4.3	Servicing of schools forums	34,680	34,680	34,680	-	34,680
1.4.11	SEN transport	400,000	400,000	400,000	-	400,000
1.4.13	Other items	106,500	106,500	106,500	-	106,500
1.4.10	Pupil growth / Infant class sizes	1,232,036	1,344,179	1,440,893	(208,857)	1,041,250
	Total Expenditure	311,628,564	217,460,982	311,598,426	30,138	305,244,655
Income						
1.7.1	Dedicated Schools Grant	(304,299,712)	(210,132,130)	(304,589,467)	289,754	(296,567,169)
1.7.4	Post 16 allocations from EFA	(5,986,459)	(5,986,459)	(5,986,459)	-	(6,774,578)
1.7.2	Balance b/fwd	(1,342,393)	(1,342,393)	(1,022,500)	(319,893)	(1,902,908)
	Total Income	(311,628,564)	(217,460,982)	(311,598,426)	(30,139)	(305,244,655)

London Borough of Barnet

Debt Management Policy

30 September 2011

Introduction and objectives

The Council has a statutory and fiduciary responsibility to protect public funds for the benefit of all who live and work in the borough.

This document sets out the Council's policy and procedures in relation to the billing, collection and recovery of monies owed to the Council and is to be adopted across all services within the London Borough of Barnet.

The Council is responsible for the collection of local taxes but also provides a range of chargeable services. Whilst the majority of this income is collected in a timely manner, there are occasions when debtors do not make payments on time. This gives rise to a requirement to actively manage Council debt, and to set out clearly how the Council will enforce payment of monies owed.

Methods for the billing and recovery of statutory debt are defined within the relevant statute. Methods for the billing and recovery of non-statutory debt are designed to comply with best practice.

The Council's objectives in relation to debt are:

- To minimise the amount of debt held at any one time;
- To pursue all debts, ensuring that those with the means to pay actually do so;
- To provide a corporate approach to the billing, recovery and collection of debt that encompasses the following core principles and is proportional, consistent and transparent.

Core Principles

Responsibility for maximising income to the council for the services it charges for is shared by the Chief Finance Officer and Heads of Services.

The primary objective is to obtain payment in advance of services being provided. Where this is not possible, services should determine their arrangements for allowing credit in consultation with the Income Team, on behalf of the Chief Finance Officer. This document sets out arrangements for doing this.

Services are responsible for controlling the issue of credit in line with pre-determined arrangements and adhering to the arrangements for blocked customers.

Services are responsible for collecting and banking income collected in advance and for raising invoices promptly where credit has been allowed.

Consistent and transparent debt management arrangements will be applied to all sums owed to the council, with the objective of maximising income and cash

flow, but taking account of the cost of collection and recovery. Arrangements for dealing with hardship are also addressed by this document.

The central Income Team is responsible for recovering debts that have been raised by services, for advising them on debts that are uneconomic to pursue and where debts should be written-off, and for maintaining master data (client details, including blocked customer status etc.).

Provision for bad debts will be determined by the Chief Finance Officer, in conjunction with services and the Head of Revenue Services;

This document is not concerned with the Council's policy for charging for services. It is only concerned with the arrangements for collecting income and debts where the Council has made a policy decision on charging for services.

Definition of a debtor

A debtor is any body, (whether an individual or organisation), who has received goods or services from the Council, or is liable for a statutory debt, and who has not yet paid the full amount owed.

To reduce the number of debtors, service providers must attempt to obtain payment in advance or at the point of service delivery wherever possible. Invoices should only be raised where payment in advance for a service is inappropriate.

Performance management

Prompt recovery action is key in managing debt and maximising income. The Council therefore aims to:

- Regularly monitor the level and age of debt.
- Set clear targets for the recovery of debt.
- Have clear written recovery procedures.
- Set priorities for specific areas of debt and assess recovery methods to ensure maximum recovery.
- Regularly review irrecoverable debts for write-off.

Monitoring and reporting of debt

The following table sets out the frequency and type of debt reporting, the responsibilities associated with monitoring debt levels, and responsibilities for monitoring this policy:

Type of Debt	Activity	Report to:	Responsible Officer	Frequency
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Sundry	Aged Debt report	All services	Income Manager	Monthly
Sundry	Barnet Major Debtors		Income Manager	Monthly
Revenues, Benefits and NNDR	Ctax Percentage collected in year	CLG	Head of Revenues and Benefits	Yearly
All Debt	Review of Policy	Chief Finance Officer	Income Manager	Yearly

Performance targets for debt invoicing, collection and debt recovery:

Type of Debt	Activity	Target	Responsible Officer
Sundry	Invoicing	Invoice request to be raised in advance where possible, but no later than 7 days after the supply of the related goods or services.	Income Manager
Sundry	Invoicing	Invoice to be raised within 1 day of the sales order being received.	Income manager
Sundry	Collection	Cheques or cash to be processed within 24 hours of receipt.	Income Manager
Sundry	Collection	Payment suspense items to be cleared within 3 days.	Head of Finance
Sundry	Aged Debt KPI	% of debt over 6 months but less than 1 year to be less than 3% of total debt.**	Income Manager
Sundry	Aged Debt KPI	% of debt over 1 year but less than 2 years to be less than 2% of total debt.**	Income Manager
Sundry	Aged Debt KPI	% of debt over 2 years to be less than 1% of total debt.**	Income Manager
Sundry	Aged Debt KPI	Irrecoverable debt to be written off on a yearly basis.	Income Manager
Sundry	Payment method	To increase the number that pay by direct debit by 5% per annum.	Income Manager
Council Tax	To maximise the level of	That 96% of 2011/12 Council Tax will be	Head of Revenues and

	collection.	collected.	Benefits
NNDR	To maximise the level of collection.	That 96% of this years charge will be collected.	Head of Revenues and Benefits
Benefit Overpayments	To maximise the level of collection.	That at least £1m of this years debt will be collected	Head of Revenues and Benefits

** Excludes Adult residential care costs

Collection and Recovery

Except in the case of an invoice payable by instalments, or as otherwise contractually agreed, the settlement period for all invoices will be within 28 days.

After the settlement period, and where legislation permits, the Council may seek to recover interest and any costs that are legitimately due from the debtor to the Council or its agents.

Recovery action will commence no later than 14 days after the demand has fallen due. Escalations processes up to and including litigation, are to be agreed between the Income Team and the service departments.

The Council will attempt at all times to use the most appropriate and cost-effective method of debt recovery in order to maximise income.

Before enforcement action is taken, the council will utilise, correspondence and telephone contact with the debtor, visits to the debtor's home by designated Council officers, and where cost effective to do so, external collection agents as an alternative means of recovering sundry debts.

Where an external agency is utilised to assist with collection the flow of information between the Council and the agent must be in a secure electronic format.

All statutory methods of enforcement of debts shall be available for use. These include:

- Attachments of Earnings
- Warrants of Execution
- Third Party Orders
- Insolvency
- Possession proceedings

Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled.

Dispute resolution

In case of a dispute all recovery action will be suspended and the dispute referred back to the originating department for resolution within one week. If no response after 1 week a reminder will be sent to the originating department for instructions. If no response after a further week the debt will be transferred back to the originating department.

A dispute is not resolved unless it meets one of the following conditions:

- The customer is correct and gets full credit
- The customer is partly correct and gets partial credit and agreed charge.
- The customer is incorrect and accepts the charge
- The customer is not correct and does not accept the situation but the service is prepared to pursue the debt

Write off procedures

Whilst the Council will make every effort to pursue debts owed by debtors, it recognizes that in some circumstances debt will become irrecoverable.

Debt may be regarded as uncollectable where:

- The debt is uneconomic to collect i.e. the cost of collection is greater than the value of the debt.
- The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
- The debtor cannot be found or communicated with despite all reasonable attempts to trace.
- The debtor is deceased and there is no likely settlement from the estate or next of kin and where there is written confirmation from the Receiver.
- Hardship, where permitted, on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
- Insolvency where there is no likelihood of settlement and written confirmation from the Official Receiver or Administrator.

Good practice dictates that, when all methods of debt recovery have been exhausted, any debts that remain irrecoverable are written off promptly in accordance with the Council's Constitution and Financial Regulations.

Under the Council's Constitution, the Chief Finance Officer may, subject to that officer being satisfied that all avenues to recover the funds have been investigated, write off bad debts up to the value of £5000.00

Bad debt that is to be written off and is in excess of £5000.00 must be referred to the Cabinet Resources Committee for write off.

The CIPFA Code of Practice on Local Authority Accounting, (The Code) requires the council's statement of accounts to include sufficient provision for bad debts. This provision will be determined by the Chief Finance Officer, in consultation with the Head of Exchequer Services, the Head of Revenue Services and other Services. The External Auditor will subsequently review this provision for appropriateness.

Generally, the older a debt is, the greater the requirement for a bad debt provision. Provisions are always reviewed as part of closing of the accounts, but should also be reviewed on a regular basis throughout the year, and any likely requirement to increase the provision at the year end should be identified and reported through regular budget monitoring.

Customer Care

The Council will:

Collect debts in an efficient way, taking account of personal circumstances.

Deal with debtors in a professional manner at all times treating individuals consistently and fairly and displaying courtesy and respect in accordance with departmental Customer Care directives

Provide facilities to enable customers to discuss their debts in a confidential environment offering assistance wherever possible.

All debtors seeking help due to financial difficulties will:

- Be invited to provide details of their means by listing their income and expenditure. (Evidence will be requested if necessary)
- If they have other debts owing to the Council then these will also be considered when agreeing a recovery plan.
- Be encouraged to use the money advice services available from the Citizens Advice Bureau and other debt advice providers.

Advice and assistance

The Council will seek to provide information about debt advice and potential statutory benefits and discounts to those debtors who cannot pay.

Officers will remind debtors of the importance of paying priority debts. Priority debts include Council Tax arrears. Non-payment of Council Tax arrears can result in the seizure of debtors goods, or in the debtor being sent to prison.

Debtors who are in financial difficulty may find it beneficial to obtain specialist advice from one of the following agencies:

Citizens Advice Bureau

The Citizens Advice Bureau offer advice about simple debt problems, and will be able to refer debtors to a specialist advisor if the debt problem is complicated.

Website: <http://www.citizensadvice.org.uk>

Local branches:

New Barnet Citizens Advice Bureau 30 Station Road New Barnet Barnet Hertfordshire Tel: 0844 826 9336 Email: newbarnet@barnetcab.org.uk	Finchley Citizens Advice Bureau 23 Hendon Lane London N3 1RT Tel: 0844 826 9336 Email: finchley@barnetcab.org.uk
Grahame Park Citizens Advice Bureau The Concourse Grahame Park London NW9 5XA Tel: 0844 826 9336 Web: www.barnetcab.org.uk	Hendon Citizens Advice Bureau 40-42 Church End Hendon London NW4 4JT Tel: 0844 826 9336 Web: www.barnetcab.org.uk

Money Advice Centres

Money Advice Centres can also provide help with debt problems. Details of the nearest centres may be found by accessing the DirectGov website: www.direct.gov.uk and following the link to Community Legal Advice or by telephoning the helpline on 0845 345 4345

National Debtline

The National Debtline provides free debt management information to people living in England and Wales. Debtors can contact National Debtline by calling them on 0808 808 4000 or via their website at www.nationaldebtline.co.uk

Business Debtline

The Business Debtline provides advice for small business in England and Wales. Debtors can contact them by telephone on 0800 197 6026 or via their website: www.bdl.org.uk

DELIVERY UNIT
SERVICE AREA

 Family Service
 Family Service

DESCRIPTION OF CURRENT FEES AND CHARGES				
Fee/Charge	Description	Current Charge £		Proposed 2016/17 Fee/Charge £
Library review amended fees and charges				
Adult Book Fines	This charge is levied for the late return of adult book items. Items can now be renewed 24/7 online or by phone	0.20	Per Day, Per Item	0.25
Child Book Fines	This charge would be levied for the late return of child and teen book items. Items can now be renewed 24/7 online or by phone	0.00	Per day, Per item	0.05
Reservation, No Notification/ email (specially purchased stock)	This charge is levied where an item is purchased in response to a reservation.	1.00	Per item	1.10
Reservation, Postal Notification (specially purchased stock)	This charge is levied where an item is purchased in response to a reservation.	£1.00 plus 2nd class post	Per item	£1.10 Plus 2nd Class Post
Reservation, No Notification/ email notification (Barnet stock)	Customers are notified by email that a reserved item is ready for collection. This applies to stock already held in Barnet Libraries	1.00	Per Item	No charge
Reservation, Postal Notification (Barnet stock)	Customers are notified by post that a reserved item is ready for collection. This applies to stock already held in Barnet Libraries	£1.00 plus 2nd class postage	Per Item	2nd class postage only
Late return fees for items borrowed from the British library	This charge is levied where items borrowed from the British Library are returned late	4.30	Per Item	4.55
One off events	This includes a range of author and cultural events. A mix of charges would be applied dependent upon the cost of hosting the specific event and its intended audience. These are in addition to the core service of events which remains free.	4.95	Per session, per person	£0 up to £20
Training courses for professionals and organisations (1/2 day - off the peg)	Current charges are considerably under the market rate and do not cover the costs of developing and delivering training.	39.50	Per delegate	75.00
Training courses for professionals and organisations (1/2 day - bespoke)	Current charges are considerably under the market rate and do not cover the costs of developing and delivering training.	300.00	Per organisation	400.00
Local History Training/ Talks for organisations (bespoke)	Current charges are considerably under the market rate and do not cover the costs of developing and delivering training.	40.00	Per session	75.00
Music Sets And Scores for choirs based in Barnet	Subscription fee	30.00	Per subscription Per annum	Loan charge of 25p per score per month (min 2 month loan)
Music Sets And Scores for choirs based in Barnet	Overdue charge	0.50	Per score, Per week	25p per score, Per month/ part month
Music Sets And Scores for all choirs	Courier delivery charge for direct delivery	Not currently offered	Per box	5.00
Music Sets And Scores for all choirs	Cancellation fee for every score ordered but then not required	None	Per title	10.00
Music Sets And Scores for all choirs	Administration fee to replace lost items. This is payable by music groups and organisations.	£5.00 + cost of replacement	Per set lost	£10.00 + cost of replacement
Music Sets And Scores for choirs based outside Barnet	Subscription fee	30.00	Per subscription Per annum	Loan charge of 35p per score per month (min 2 month loan)
Music Sets And Scores for choirs based outside Barnet	Overdue charge	0.50	Per score, Per week	35p per score, Per month/ part month
Music Sets And Scores	Charge made to other Boroughs for the loan of Barnet sets and scores	6.00	Per 20 items	12.00

To be noted at Policy & Resources Committee, as approved at Environment Theme Committee 11th January 2016 Appendix 12

Description of Charge	UNIT	Subject to VAT	2015/16 charge excluding VAT	2016/17 charge excluding VAT	COMMENTS	% increase
Vehicle Crossover - On occasions where it is necessary for obstructions to be considered for removal in order for a crossover to be constructed such as a tree or lighting column, thereby necessitating a site visit by a tree officer/lighting engineer.	Each	VAT not applicable	£113.50	£137.00	Charge includes initial site inspection, and recording, further joint site visits with specialist as required. compliance plus travel costs	21%
Section 50 Street works licence and inspections	Per licence	VAT not applicable	£280 + £150	£496.00	Covers staff time and NRSWA notification costs (also includes Section 50 inspections below).	15%
Memorial Seat/bench, up to 6ft in length, including on-going care for 10 years.	Each Bench	VAT not applicable	£1,090.00	£137 + £1025 for cost of bench + £130 for cost of plaque if required	To be consistent with Hendon Cemetery. Price excludes bench	7%
Type 1 Bronze Plaque (to be erected on existing bench)	Each	VAT not applicable	£97.00	£178.00	New Product/Service to be consistent with Hendon Cemetery (includes plaque)	84%
Licence to place skip on the highway	Each	VAT not applicable	£28 per week with a £56 minimum, thereafter £26 per week	£56.00	Minimum of two weeks will apply	12%
Renewal for expired skip licence	Each	VAT not applicable	£28 per week with a £56 minimum, thereafter £26 per week	£56.00	Minimum of two weeks will apply	12%
Interment - pre-dug grave (new fee)	Each	VAT not applicable	New Service	£625.00		
Banner in/on Parks	events	VAT not applicable	n/a	£30.00 per week	Banners in/on parks - New charge to manage appropriate display of publicity materials. A weekly charge for displaying an advertisement banner on park fencing/furniture or free standing e.g. fairs, fetes, fitness groups etc	
Trade Waste	Provision of 240 Litre Bin	VAT not applicable	£363.10	£384.85	Trade Waste – 6% increase to be set as a reasonable charge, having considered the cost of service and benchmarking data from other authorities	6%
Trade Waste	Provision of 360 Litre Bin	VAT not applicable	£422.75	£448.10	Trade Waste – 6% increase to be set as a reasonable charge, having considered the cost of service and benchmarking data from other authorities	6%
Trade Waste	Provision of 660 Litre Bin	VAT not applicable	£651.75	£690.85	Trade Waste – 6% increase to be set as a reasonable charge, having considered the cost of service and benchmarking data from other authorities	6%
Trade Waste	Provision of Chamberlain Bin (940 Litre)	VAT not applicable	£788.20	£835.45	Trade Waste – 6% increase to be set as a reasonable charge, having considered the cost of service and benchmarking data from other authorities	6%
Trade Waste	Provision of 1100 Litre Bin	VAT not applicable	£881.50	£934.35	Trade Waste – 6% increase to be set as a reasonable charge, having considered the cost of service and benchmarking data from other authorities	6%
Trade Waste	Provision of 50 sacks (recycling)	VAT applicable	n/a	£110.05	Trade Waste - New charge to encourage recycling from businesses which form part of the trade waste transformation project	
Trade Waste	Provision of 100 sacks (recycling)	VAT applicable	n/a	£186.43	Trade Waste New charge to encourage recycling from businesses which form part of the trade waste transformation project	
Trade Waste	Cardboard Sticker	VAT applicable	n/a	£5.00	Trade Waste - New charge to encourage recycling from businesses which form part of the trade waste transformation project	
Trade Waste	Provision of Food Caddie (23 Ltr)	VAT not applicable	n/a	1.55 per visit	Trade Waste - New charge to encourage recycling from businesses which form part of the trade waste transformation project	
Trade Waste	Contract Cancellation Fee	VAT not applicable	n/a	10% of annual cost	Trade Waste - New Charge. Administration cost for cancellation of contract, collection and cleaning of bin for reuse or collection and disposal of bin.	

Description of Charge	UNIT	Subject to VAT	2015/16 charge excluding VAT	2016/17 charge excluding VAT	COMMENTS	% increase
Hendon Park Car Park	Hendon Park Short Stay Bays Up to 30 mins	VAT not applicable	Free of Charge	Free of Charge	Charges for parking in the Hendon Park car park. The charges cover x15 short stay spaces and x5 long stay spaces. Charges were introduced in September 2014 following a consultation and the implementation of a traffic management order.	
Hendon Park Car Park	Hendon Park Short Stay Bays Up to 1 hour	VAT inclusive	£1.00	£1.00	Charges for parking in the Hendon Park car park. The charges cover x15 short stay spaces and x5 long stay spaces. Charges were introduced in September 2014 following a consultation and the implementation of a traffic management order.	
Hendon Park Car Park	Hendon Park Short Stay Bays Up to 2 hours	VAT inclusive	£1.50	£1.50	Charges for parking in the Hendon Park car park. The charges cover x15 short stay spaces and x5 long stay spaces. Charges were introduced in September 2014 following a consultation and the implementation of a traffic management order.	
Hendon Park Car Park	Hendon Park Short Stay Bays Up to 3 hours	VAT inclusive	£2.00	£2.00	Charges for parking in the Hendon Park car park. The charges cover x15 short stay spaces and x5 long stay spaces. Charges were introduced in September 2014 following a consultation and the implementation of a traffic management order.	
Hendon Park Car Park	Hendon Park Long Stay Bays Up to 4 hours	VAT inclusive	£5.00	£5.00	Charges for parking in the Hendon Park car park. The charges cover x15 short stay spaces and x5 long stay spaces. Charges were introduced in September 2014 following a consultation and the implementation of a traffic management order.	
Hendon Park Car Park	Hendon Park Long Stay Bays All Day	VAT inclusive	£6.00	£6.00	Charges for parking in the Hendon Park car park. The charges cover x15 short stay spaces and x5 long stay spaces. Charges were introduced in September 2014 following a consultation and the implementation of a traffic management order.	
Parking (SPA)	Bunns Lane Car Park - Long Stay	VAT not applicable	£5.00	£5.50	Bunns Lane Car Park is in Mill Hill Town Centre. The Council supports short stay parking in its Town Centres to support economic activities but recognises that there may also be a need for long stay parking. The increase in charges relates to only Long Stay Parking only and is aimed at encouraging short stay parking while remaining competitive.	10.00%

For approval at Policy & Resources Committee, save the statutorily prescribed items

Fees & Charges 2016/17

Assurance

	Current	Proposed	
	2015/16	2016/17	Change
	£	£	%
School Admission Appeals Services available from London Borough of Barnet			
Governance Service for all Admission Appeals (Casual and Coordinated Appeals)			
Cost per Appeal	150	170	13%
Cost per Appeal - appeal hearings with five or more per day	n/a	150	new charge
Cost per withdrawn/cancelled Appeal - appeal outside of 10 workings days. Full fees apply inside this time period	50	57	14%

	Current	Proposed	
	2015/16	2016/17	Change
	£	£	%
Electoral Services			
Purchase Full Electoral Register (by: Polling District, Ward or Borough) Statutory Charges set in legislation. <i>only available to recipients named in legislation (e.g. registered political parties, credit reference agencies)</i>	<u>Paper Copy:</u> £10 + £5 per 1000 electors or part thereof	<u>Paper Copy:</u> £10 + £5 per 1000 electors or part thereof	0%
	<u>Data Copy:</u> £20 + £1.50 per 1000 electors or part thereof	<u>Data Copy:</u> £20 + £1.50 per 1000 electors or part thereof	
Purchase ' Open ' Electoral Register (by: Polling District, Ward or Borough) Statutory Charges set in legislation. <i>excludes electors that have 'opted-out of the Open Register' and may be purchased by anybody</i>	<u>Paper Copy:</u> £10 + £5 per 1000 electors or part thereof	<u>Paper Copy:</u> £10 + £5 per 1000 electors or part thereof	0%
	<u>Data Copy:</u> £20 + £1.50 per 1000 electors or part thereof	<u>Data Copy:</u> £20 + £1.50 per 1000 electors or part thereof	
Purchase ' Marked Copy ' of Electoral Register (by: Polling District, Ward or Borough) following an election Statutory Charges set in legislation. <i>only available to recipients named in legislation (e.g. registered political parties, election candidates etc)</i>	<u>Paper Copy:</u> £10 + £2 per 1000 electors or part thereof	<u>Paper Copy:</u> £10 + £2 per 1000 electors or part thereof	0%
	<u>Data Copy:</u> £10 + £1 per 1000 electors or part thereof	<u>Data Copy:</u> £10 + £1 per 1000 electors or part thereof	
Purchase ' Letter of Residence ' <i>registered electors can purchase this as proof of their entry on register</i> Discretionary Charge	Current Year £26	Current Year £19.50	-33%
	2 - 5 Years £31	2 - 5 Years £24.50	-26.5%
	Over 5 Years £36	Over 5 Years £29.50	-22%

Appendix 12

To be noted at Policy & Resources Committee, as approved at Adults & Safeguarding Theme Committee 12th November 2015

Removal of subsidy from home meals service: prices (all costs are per meal)

At present these costs are indicative, pending the provider chosen

Type	£
Standard	6.25
Kosher	11.4
Caribbean	8.39
Asian Veg	8.34
Halal	8.34
Pureed	8.38

Charges to Registration, Ceremonies and Nationality up to March 2016 and proposed fees from 1 April 2017

Birth, Death, Marriage and Civil Partnership certificates

Certificates from archived registers	Current fees	Proposed new fees from 1 April 2016
Standard Birth, Death, Marriage and civil partnership certificate	£15.00*	No change from 1 April 2016
Short Birth Certificate	£15.00*	No change from 1 April 2016
Priority service certificate - same day	£20.00	No change from 1 April 2016

* Administrative fee of £5.00 is included in the fees above

Certificates from current registers	Current fees	Proposed new fees from 1 April 2016
Standard Birth Death Marriage or Civil Partnership certificates (at registration)	£4.00	No change from 1 April 2016
Standard Birth Death Marriage or Civil Partnership certificates (after registration)	£7.00	No change from 1 April 2016

Notice of marriage and civil partnership

Current fee	Proposed new fees from 1 April 2016
Standard £35.00	No change from 1 April 2016
If referred for immigration purposes £47.00	£47.00

Marriage, Renewal of Vows and Civil Partnership Ceremonies at the Oak Room or Barnet Register Office

Current fees and proposed new fees from 1 April 2016

Administration fee for change of date or time	£20.00	No change from 1 April 2016
Mondays to Thursdays	£100.00 (£50 deposit)	No change from 1 April 2016
Friday	£125.00 (£50 deposit)	No change from 1 April 2016
Saturday	£180.00 (£50 deposit)	No change from 1 April 2016
Sundays and Public Holidays	£275.00 (£50 deposit)	No change from 1 April 2016
Special Offer (last Sunday of the month)	£200.00 (£50 deposit)	No change from 1 April 2016

Current fees and proposed new fees from 1 April 2016

Monday to Friday – late ceremonies (from 4 pm)	£200.00 (£50 deposit)	No change from 1 April 2016
Saturday – late ceremonies	£360.00 (£50 deposit)	No change from 1 April 2016
Sundays and Public Holidays – late ceremonies	£500.00 (£50 deposit)	No change from 1 April 2016

Marriage, Renewal of Vows and Civil Partnership Ceremonies at an approved premise in the London Borough of Barnet

Current fees and proposed new fees from 1 April 2016

	Current fees	Proposed new fees from 1 April 2016
Wedding in a registered building (e.g. church)	£88.00 (£50 deposit)	No change from 1 April 2016
Marriage, renewal of vows and civil partnership ceremonies Monday to Friday – normal hours	£275.00 (£50 deposit)	No change from 1 April 2016
Marriage, renewal of vows and civil partnership ceremonies Saturday – normal hours	£330.00 (£50 deposit)	No change from 1 April 2016
Marriage, renewal of vows and civil partnership ceremonies Sunday and Public Holiday – normal hours	£385.00 (£50 deposit)	No change from 1 April 2016

Current fees and proposed new fees from 1 April 2016

Monday to Friday – late ceremonies after 4pm	£400.00 (£50 deposit)	No change from 1 April 2016
Saturday – late ceremonies after 4pm	£500.00 (£50 deposit)	No change from 1 April 2016
Sunday – late ceremonies after 4 pm	£600.00 (£50 deposit)	No change from 1 April 2016

Naming Ceremonies – all venues

	Current fees	Proposed new fees from 1 April 2016
Administration fee for change of date or time (without 7 days' notice given)	£20.00	No change from 1 April 2016
Monday to Sunday and including Bank Holidays – normal hours	£160.00 (£50 deposit)	No change from 1 April 2016

Late Arrival Fees

Late arrival fee at the Register Office in Burnt Oak	£25.00	No change from 1 April 2016
Late arrival fee at an approved premise in Barnet	£50.00	No change from 1 April 2016

Nationality and Settlement Checking Service

NCS/SCS	Current fees	Proposed new fees from 1 April 2016
NCS Adult application	£55.00	No change from 1 April 2016
NCS Child (per child)	£35.00	No change from 1 April 2016
SCS Adult application	£100.00	No change from 1 April 2016
SCS Child application (per child)	£30.00	No change from 1 April 2016
Private citizenship ceremony at Hendon Town Hall and Oak Room	£100.00	No change from 1 April 2016

Activities	2015 / 2016 Approved - September										2016 / 2017 Proposed - April									
	Adult Non Member	Better H&F Adult	Better H&F Adult Con	Jnr Non Mem	Better H&F Junior	Better H&F Jnr Con	Adult Non Member	% Increase	Better H&F Adult	% Increase	Better H&F Adult Con	% Increase	Jnr Non Mem	% Increase	Better H&F Junior	% Increase	Better H&F Jnr Con	% Increase		
Swimming																				
Casual Swim - all sessions	£6.55	£4.60	£3.30	£4.05	£2.70	£2.00	£6.55	0.0%	£4.60	0.0%	£3.30	0.0%	£4.05	0.0%	£2.70	0.0%	£2.00	0.0%		
Trois Water World	£7.65	£5.35	£3.75				£7.65	0.0%	£5.35	0.0%	£3.75	0.0%								
Health & Fitness																				
Fitness Induction - (All Centres)		£30.75	£16.10		£16.15	£11.50			£31.20	1.5%	£16.30	1.2%			£16.40	1.5%	£11.65	1.3%		
Fitness Induction and Programme - (All Centres)		£38.05	£19.75		£18.95	£13.50			£38.60	1.4%	£20.05	1.5%			£19.20	1.3%	£13.70	1.5%		
Casual Gym (All Centres)		£8.35	£6.00		£4.30	£3.05			£8.45	1.2%	£6.05	0.8%			£4.35	1.2%	£3.05	0.0%		
Group Exercise Class (All Centres)	£12.05	£8.35	£6.00				£12.05	0.0%	£8.35	0.0%	£6.00	0.0%								
Water Aerobics Class (1 Hr) all centres	£12.05	£8.35	£6.00				£12.05	0.0%	£8.35	0.0%	£6.00	0.0%								
Racket Sports																				
Table Tennis - per table	£11.30	£7.95	£5.90	£7.25	£5.90	£3.60	£11.45	1.3%	£8.05	1.3%	£5.95	0.8%	£7.35	1.4%	£5.95	0.8%	£3.65	1.4%		
Badminton - per court	£16.85	£11.70	£9.00	£8.95	£6.15	£4.45	£17.10	1.5%	£11.85	1.3%	£9.10	1.1%	£9.05	1.1%	£6.20	0.8%	£4.50	1.1%		
Tennis - 1 hour per court	£8.80	£5.95	£4.40	£4.55	£3.15	£2.20	£8.90	1.1%	£6.00	0.8%	£4.45	1.1%	£4.60	1.1%	£3.15	0.0%	£2.20	0.0%		
Courses & Sessions/visit																				
Fun Session				£4.05	£2.70	£2.00							£4.10	1.2%	£2.70	0.0%	£2.00	0.0%		
Gymnastics Session - Adults	£16.35	£11.45	£8.10				£16.60	1.5%	£11.60	1.3%	£8.20	1.2%								
Gymnastics Assessment	£16.55	£16.55	£16.50				£16.80	1.5%	£16.80	0.0%	£16.75	1.5%								
Burnt Oak - Floodlit artificial full size pitch - 1 hr		£96.60							£96.60	0.0%		0.0%								
Burnt Oak - Floodlit artificial (5-a-side) 1hr		£48.20	£22.60						£48.20	0.0%	£22.60	0.0%								
Burnt Oak - Floodlit artificial (7-a-side) 1hr		£79.15	£37.60						£79.15	0.0%	£37.60	0.0%								
Burnt Oak - Grass Pitch (junior) 7-a-side		£27.80							£28.20	0.0%	£37.60	0.0%								
Burnt Oak - Grass Pitch (junior) 11-a-side		£37.90							£38.45	1.5%										
Leisure Card: 50+ Health swim/Wear		£84.90							£86.15	1.5%										
Toddlers' World sibling price at Burnt Oak				£2.20	£2.20	£2.15							£2.20	0.0%	£2.20	0.0%	£2.15	0.0%		
Toddlers' World standard price at Burnt Oak				£5.65	£3.95	£2.90							£5.60	0.9%	£4.00	0.05	£2.80	0.0%		
Toddlers' World (Hendon)				£5.70	£4.10	£2.95							£5.75	0.9%	£4.15	0.05	£2.95	0.0%		
Birthday Parties																				
Burnt Oak																				
Copthall	£168.40																			
Church Farm	£155.00																			
Hendon	£188.80																			
Finchley Lido	£163.30																			
Badminton Club - Adult																				
Burnt Oak	£5.10	£3.30	£1.60				£5.15	1.0%	£3.35	1.5%	£1.60	0.0%								
Creche																				
Burnt Oak		£4.05	£3.30						£4.10	0.05	£3.35	1.5%								
Sauna																				
Finchley Lido	£10.95	£7.60	£4.05				£11.10	1.4%	£7.70	0.10	£4.10	1.2%								

Adults Social Care and Health		
Fees and Charges 2016/17		
Service	Current	New
	2015/16	2016/17
Residential and Nursing Care (1) *		
Standard Charge persons aged 60+	£126.30	£130.70
Standard Charge persons aged 25-59	£80.45	£80.45
Standard Charge persons aged 18-25	£65.25	£65.25
Respite Care (All client groups) (2)		
Residential Respite (per week)	£91.05	£94.40
Meals at Home (3)		
Standard meal (per meal)	£4.15	£4.15
Other Community Support Services (4) **		
Assessed in accordance with charging policy for community based services - Fairer Contributions Policy	Up to full cost	Up to full cost
Clients' access to files		
Statutory charge	£15.00	£15.00

* Non-Standard cases assessed in accordance with charging policy

** This includes homecare, day care, supported living, direct payments and other services provided in the community by the Council

http://www.barnet.gov.uk/06_part-4-council-procedure-rules.pdf

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3.6 The budget recommended by the Executive will incorporate the latest projection of income from fees and charges.

3.7 Corporate Directors and Heads of Service may approve changes to fees and charges annually where the change is broadly in line with inflation. The date for annual increases need not be 1 April.

3.8 Cabinet Resources Committee must approve changes to fees and charges that are significantly different from inflation, the introduction of new fees

	Current	New
	2015/16	2016/17
Charges for arranging care for people above capital/savings threshold		
Standard hourly brokerage charge	£22.93	£22.93
Standard hourly administrative charge	£14.31	£14.31
Charges for Universal Deferred Payments		
Standard hourly administrative and processing charge	£18.27	£18.27
Standard legal hourly charge	£52.29	£52.29
Non- standard legal hourly charge e.g debt recovery	£71.59	£71.59
Land Registry Fees	£26.00	£26.00
Property Valuation Fees	£250.00	£250.00
The interest rate for deferred payments will be set at 1% from 1 April 2016. It is proposed that the interest rate charges will be reviewed every three months by Adults and Communities. The power to vary and change interest rates for deferred payments will be delegated to the Council's section 151 officer.		

Activities	2016 / 2017 Proposed
Over view comments	All prices have been kept below 1.5% increase. Swimming casual has not been increased.
Swimming	
Casual Swim - all sessions	0% price increase
Tots Water World	0% price increase.
Health & Fitness	
Fitness Induction - Basic (All Centres)	Prices kept below 1.5% increase
Fitness induction and Programme (All Centres)	Prices kept below 1.5% increase
Casual Gym (All Centres)	Prices kept below 1.5% increase
Group Exercise Class (1Hr)	0% price increase
Water Aerobics Class (1 hr)	0% price increase
Racket Sports	
Table Tennis - per table	Prices kept below 1.5% increase
Badminton - per court	Prices kept below 1.5% increase
Tennis - 1 hour per court	Prices kept below 1.5% increase
Courses & Sessions/visit	
Fun Session	Prices kept below 1.5% increase
Gymnastics Session - Adults	Prices kept below 1.5% increase
Gymnastics Assessment	Prices kept below 1.5% increase
Floodlit artificial full size pitch - 1 hr	0% price increase
Floodlit artificial Burnt Oak (5-a-side) 1hr	0% price increase
Floodlit artificial Burnt Oak (7-a-side) 1hr	0% price increase
Grass Pitch (junior) 7-a-side	Prices kept below 1.5% increase
Grass Pitch (junior) 11-a-side	Prices kept below 1.5% increase
Leisure Card: 50+ Health swim/year	Prices kept below 1.5% increase
Standard Swimming Membership Copthall, Finchley, Church Farm Pool - Single monthly	Prices kept below 1.5% increase
Standard Swimming Membership Copthall, Finchley, Church Farm Pool - annual	Prices kept below 1.5% increase
Toddlers' World sibling price at Burnt Oak	0% price increase
Toddlers' World standard price at Burnt Oak (first child)	Prices kept below 1.5% increase
Toddlers World (Hendon)	Prices kept below 1.5% increase
Birthday Parties	
Burnt Oak	Prices kept below 1.5% increase
Copthall	Prices kept below 1.5% increase
Church Farm	Prices kept below 1.5% increase
Hendon	Prices kept below 1.5% increase
Finchley Lido	Prices kept below 1.5% increase
Badminton Club - Adult	
Burnt Oak	Prices kept below 1.5% increase
Creche	
Burnt Oak	Prices kept below 1.5% increase
Sauna	
Finchley Lido	Prices kept below 1.5% increase