

Council Budget 2011 – 2012 Financial Forward Plan and Capital Programme



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BUDGET COMMENTARY

COUNCIL MEDIUM TERM FINANCIAL STRATEGY AND COUNCIL TAX 2011/2012

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1. BACKGROUND INFORMATION

1.1 Executive Summary

1.1.1. The Cabinet on 21 June 2010 considered the strategic policy context for the financial and business planning process paying particular attention to:

- The population increase in Barnet (making Barnet the most populous London Borough);
- The nature of the population change, particularly the young (under 5) and older people (over 85);
- Opportunities around technological change to deliver services in new ways; and
- Changing roles and expectations for public services and local government.

1.1.2 These themes have underpinned the financial and business planning process which has been progressing since June.

1.1.3 Cabinet on 20 October 2010 agreed to consult on strategic savings options totalling £46.2m. Consultation attracted significant interest, with over 5,000 visits to the budget ideas website from October through to early December. Following feedback on initial consultation, Cabinet agreed to remove £0.9m of cuts to voluntary sector funding. A number of budget ideas were also incorporated into detailed savings proposals.

1.1.4 The spending review on 20 October 2010 provided high level details of the funding for local government as a whole. The total cut to local government funding was 26% over four years. The spending review had two main features. Firstly, the cuts were front loaded with most of the cuts coming in 2011/12 and 2012/13. Secondly, it spelt the end of many specific grants. This meant that the budget gap increased, and Cabinet on 13 December agreed to consult on detailed budget headlines which included savings proposals totalling £54.4m. The outcome of this consultation is included in this budget setting report.

1.1.5 The draft local government finance settlement was announced on 13 December 2010 (and was confirmed on 31 January 2011 with minimal change). The settlement was announced for the two years covering 2011/12 and 2012/13. There will not be an announcement for 2013/14 until a fundamental review of local government financing has taken place, so assumptions have been made in the financial strategy for 2013/14 funding.

1.1.6 As a result of the above, and developments to the Medium Term Financial Strategy as set out in section 9.4, the **final estimate of the budget gap is £46.6m over three years**. In addition, a number of service pressures have been identified of which £6.8m are considered unavoidable as a result of changes in legislation, demography and other factors. This means the **overall savings requirement is £53.4m over the next three years**.

1.1.7 Barnet's response to the strategic agenda is the One Barnet transformation programme built around the principles of a new relationship with citizens, one public sector in Barnet, and a relentless drive for efficiency. The principle driver for the programme is to develop a customer centred organisation, but it will also help to reduce the cost of the provision of services to our residents. The One Barnet Framework has now been agreed by the Cabinet and the programme is fully aligned with the financial and business planning process. Included in the savings proposals in Appendix 2 are £12.1m of savings in respect of the One Barnet programme (plus £1.4m 2010/11 savings comes to £13.5m for the programme as a whole).

1.1.8 However, the One Barnet savings will only be part of the solution to balancing the budget in such challenging economic circumstances. A number of the proposals included in the savings options will result in reductions or deletions of services previously provided, or in some cases increases in fees and charges. In summary:

- One Barnet £12.1m
- Efficiency projects £22.4m
- Increased income £3.8m
- Service reductions £15.1m

1.1.9 Within this overall picture is evidence of how the Council is improving efficiency to minimise the impact of cuts on frontline services. For example, 2011/12 figures include £3m of savings in respect of management de-layering and internal restructuring, and £4.8m over the three year period. Better contracting and procurement activity are generating £5.6m in 2011/12 and £12.8m over three years. Other process efficiencies and back office improvements are resulting in savings of £2.5m in 2011/12 and £4.6m over the three year period.

1.1.10 Proposals have been developed by taking savings from every department across the organisation. This resulted in a series of strategic options being put forward, and it is Members' decision as to how these savings are realised across departments, taking into consideration the policy framework and the impact of specific savings in the process.

1.1.11 This report concludes the budget setting process and requests approval of the following:

- The Medium Term Financial Strategy for 2011/12 to 2013/14;
- Savings and pressures;
- Detailed revenue and capital budgets;
- Levels of Council Tax for 2011/12;
- The Housing Revenue Account; rent levels and other relevant charges;
- The Treasury Management Strategy; and
- The Reserves and Balances policy.

This budget position is underpinned

1.2 Strategy

1.2.1 The Cabinet on 21 June 2010 considered the strategic policy context for the financial and business planning process. This set the scene for the process that has been running since that point. The strategic policy context paid particular attention to:

- The population increase in Barnet (making Barnet the most populous London Borough);
- The nature of the population change, particularly the young (under 5) and older people (over 85);
- Opportunities around technological change to deliver services in new ways; and
- Changing roles and expectations for public services and local government

1.2.2 The planning process for budgets and services plans is paying particular regard to these issues. Overall, the Council's response to these challenges is defined by the One Barnet programme, the framework for which is summarised below.

One Barnet programme

1.2.3 Back in 2008, the Council identified three key drivers for change which informed the Future Shape programme:

1. The need to find new ways to tackle challenging problems
 - For instance our refuse services as currently constituted cannot tackle the most challenging waste problem we face – how to significantly reduce the amount of waste going into landfill.
2. The financial context
 - We anticipated that financial pressures resulting from the global recession would bring the era of consistently increasing public sector budgets to an end.
3. Resident satisfaction
 - Despite consistent improvements in service delivery, satisfaction with Barnet Council, as with other local authorities, has been on a downward trend

1.2.4 In 2010, the drivers for change still resemble those identified in 2008, and it is these drivers that inform the One Barnet programme. Specifically:

1. We still need to find new ways to tackle challenging problems.
2. We now have greater certainty about the scale of the financial challenge. Within the Council there is a funding gap of £46.6m over the next three years, and our public sector partners face challenges of a similar scale. There are other known pressures which would require us to make savings of £53.4m.
3. Digital technology continues to change and develop, as do the ways that people use it to change and grow. Residents will continue to expect us to deliver against those standards of instant information and access to services.

In addition:

- Our identification of the need to develop a new partnership with our residents to deliver services in future is echoed by the Coalition Government's focus on a Big Society;
- The Government's focus on localism and devolution sets a national context for our aim to provide local leadership and joined up services across the public sector;

1.2.5 Our response to the drivers identified has been, and remains, **to create a citizen-centred council** to ensure that citizens get the services they need to lead successful lives, and to ensure that Barnet is a successful place. We continue to believe that this is best delivered through the adoption of the three key principles of the programme.

1. A new relationship with citizens

- Enabling residents to access information and support and to do more for themselves

2. A one public sector approach

- Working together in a more joined up way with our public sector partners to deliver better services

3. A relentless drive for efficiency

- Delivering more choice for better value

1.2.6 A new relationship with citizens means that we will work together in a different way. We will provide a better service, putting citizens at the heart of what we do. In return we expect that they will do what they can for themselves, their families and their community.

1.2.7 We will provide information and services in ways that are convenient and which provide choice. Citizens will be responsible for taking the opportunities that are offered and we will give them the information they need to hold us to account.

What we will do for residents:

- Enable choice and control;
- Provide clear information; and
- Tailor services for residents.

What residents will do with us:

- Make best use of opportunities;
- Do all they can to support themselves, families, community; and
- Hold us accountable.

1.2.8 A One Public Sector approach is fundamental to One Barnet. Democratic accountability remains at the heart of serving residents successfully. We will work with partners to create truly joined up services, with the citizens at their heart. Specifically, we are currently in discussions with partners around placed based budgeting (Barnet was announced as a Community Budget area in the recent Spending Review), where we will increasingly pool resources and deliver residents aspirations together.

1.2.9 A relentless drive for efficiency means that we will make sure every pound is spent as effectively as possible, which may mean providing services in different ways and certainly means organising the Council in a different way. It also means recognising that our residents' time is valuable and that we should make sure that when they want to do something, the process is clear, simple and efficient. To deliver a relentless driver for efficiency, we are asking key questions of all of our services:

- Are they still necessary?
- Are they giving the customer what they need?
- Who is best placed to manage and run them?

1.2.10 The budget proposals in this report have been formulated with these principles in mind, and will continue to be driven by these principles over the course of the medium term financial strategy.

1.2.11 Proposals have been developed by taking savings from each department across the organisation, with a series of strategic options being put forward for consultation in October, and detailed budget headlines for consultation in December. It is the decision of elected members as to how these savings will be realised across departments, taking into account the Council's policy framework.

1.3 Consultation

1.3.1 The council has been discussing budget proposals with residents since September last year. The outcome of initial consultation went to the cabinet of 13 December 2010. This initial consultation showed that the public understood the need for the council to reduce spending to match a reduced income but were concerned about the impact of a reduction on the voluntary sector. Adult Social Services revised its budget plans following this consultation.

1.3.2 Since Budget proposal were published, service have run a range of consultations. Many of the responses to the more recent round of consultation have been from service users, understandably keen to protect spending on the services they use. The areas that have attracted responses beyond service users are plans for the two council supported museums in the borough and the removal of core grant for the artsdepot. Children Social Services has confirmed that it plans to continue funding activities at the artsdepot and the council is working with the centre to identify other funding streams. Two proposals have been put forward to independently operate Barnet Museum and Church Farm Museum. While the Council will continue with the current budget plan, it will consider these proposals over a three month period with a view to establishing whether they support the long term viability of the museums.

- 1.3.3 Concern has also been expressed by CommUnity Barnet that some smaller voluntary organisations risk closure given the scale of reduction facing some organisations. Adult Social Services has committed to working with the sector to mitigate this risk.

1.4 Medium Term Financial Strategy

- 1.4.1 The Medium Term Financial Strategy (MTFS) is the framework within which the budget is set. It assesses the spending review and the impact of the local government finance settlement, and sets this against any other changes that are needed to Council budgets (for example for inflation or changes in statutory responsibilities).

Update on 2010/11 position

- 1.4.2 The latest position on budget monitoring for 2010/11 will be reported to Cabinet Resources Committee in March. Early indications from quarter three monitoring suggest that a net overspend position of approximately £0.8m will be reported, an improvement on the £3.4m that was reported in quarter two. Current general fund balances are £15.8m, so this projected outturn position would ensure that balances do not fall beneath the target level of £15m. It is essential that services continue to identify all necessary actions to deliver a balanced budget position for 2010/11.

Spending Review

- 1.4.3 The government's Spending Review was announced on 20 October 2010. The headlines for local government were:

- A 39% cut in current Formula Grant over four years, heavily front-loaded to years one and two;
- The ending of ringfencing for local authority grant, with the exception of funding for schools and public health;
- The inclusion of a number of current area-based and specific grants within Formula Grant or schools grant;
- 'Additional' funding for social care and to enable a council tax freeze in 2011/12; and
- The creation of a number of 'core revenue grants' to distribute non-ringfenced funding outside the Formula Grant distribution formula.

- 1.4.4 The overall effect of the above is a 26% cut in overall government support to local government over four years (that is, covering current Formula Grant, new Formula Grant and core revenue grants).

Local Government Finance Settlement

- 1.4.5 The Local Government Finance settlement was announced on 13 December 2010 (for consultation) and the final settlement announced on 31 January 2011. The key points were as follows.

Barnet Council impact	2011/12 Cash cut %	2012/13 Cash cut %
Formula Grant	11	9
Total Grant funding	10	6

- A “New world” of grant support – only the schools grant is now ring-fenced, everything else is core grant;
- Early Intervention Grant, Learning Disabilities Grant, Homelessness Grant, Housing Benefits and Council Tax Benefits Admin Grant and PFI Grant are the core grants outside Formula Grant;
- New Homes Bonus will be additional funding (also not ringfenced), but has not yet been announced; and
- The settlement is for two years – so excludes 2013/14 – whereas our budget is for three years. This means we have made assumptions about levels of government funding in 2013/14.

1.4.6 When compared to the estimates and assumptions included in the budget headlines report (which was compiled before the outcome of the local government settlement was known), it had the following impact.

	2011/12 £m	2012/13 £m
Formula Grant	+ £1m	- £1.4m
Additional Area Based Grant we had assumed was cut	+ £1.7m	0
Net effect on LB Barnet Medium Term Financial Strategy	+ £2.7m	- £1.4m

1.4.7 This means that the proposals included in the budget headlines report are sufficient to enable the Council to set a balanced budget.

1.4.8 The figures included in the local government finance settlement are as follows (these figures are reflected in the budget model in **Appendix 1**):

Grant Elements	2010/11 (adj)	2011/12	2012/13
	£m	£m	£m
Formula Grant	111,902	99,505	90,618
Decrease £'000	-	12,397	8,887
Decrease %	-	11%	9%
Grants discontinued	3,697	0	0
Early Intervention Grant	16,027	13,171	13,985
Learning Disabilities Grant	10,197	10,439	10,686
Homelessness Grant	1,173	700	700
Housing and CT Benefit Grant	3,085	2,960	2,960
Council Tax Grant	0	3,849	3,849
PFI Grant *	2,235	2,235	2,235
TOTAL (incl. formula grant)	148,316	132,859	125,033
Decrease £'000	-	15,457	7,826
Decrease %	-	10%	6%
New Homes Bonus	Not yet announced		

* - assumed

1.4.9 Barnet contributes to the cost of the grant floors as it is above the minimum grant increase for 2011/12. Barnet contributes £4.3m in 2011/12 and £3.2m in 2012/13.

Removal of ring-fencing

1.4.10 A key strategic issue is the removal of ringfencing for all support to local government with the exception of schools funding. This means that the Council is able to plan its own budgets within the total of support available. This is a welcome development and enables the Council to apply local priorities, but it does mean that expectations for specific programmes created by the government's detailed announcements will not necessarily be deliverable in practice.

1.4.11 This is particularly relevant around funding for Adults Social Care, where funding announcements suggests additional support in this area. However, formula grant has been reduced by nearly 40% to compensate for this, meaning the overall loss of funding is still 26%. It is up to local policy makers to decide how to allocate this funding, but if additional support is provided to Adults Social Care, that means larger cuts to other budget areas than are currently being proposed.

1.4.12 The Spending Review includes within the overall reduced totals a core revenue grant to enable the council tax freeze in 2011/12. Under the scheme, Councils which set a 0% increase in 2011/12 will receive grant to the equivalent of a 2.5% increase in 2011/12. It is therefore necessary to set a 0% increase in 2011/12 to protect the Councils underlying revenue support from government.

- 1.4.13 Despite the overall reduction in funding as a result of the Spending Review, there are some opportunities for future funding. It is possible that Barnet could benefit from the New Homes Bonus, which will enable Councils to retain funding as a result of growth in new homes. However, it is important to note that this is not additional funding nationally; it will be top sliced from existing budgets.
- 1.4.14 Social Care funding of £1bn has been allocated to the NHS to help better joint commissioning of services in respect of social care. This equates to £3.9m for Barnet and the Council is working with health partners to identify how this funding should be allocated. A report will come back to Cabinet in the next two months setting out detailed proposals for allocating this funding.

Schools funding

- 1.4.15 The review of the methodology of distributing the Dedicated Schools Grant (DSG) by the Department for Education (DfE) has been put back a year, so for 2011/12 the DSG continues to be distributed using the 'spend plus' methodology with a number of modifications. In the longer term the Government's intention is to bring in a simpler and more transparent funding system. This should reduce funding differences between similar schools in different areas but may result in significant turbulence unless transitional arrangements are put in place. The government proposals for the new distribution system are expected in late spring.
- 1.4.16 The estimated Dedicated Schools Grant for Barnet is £248,955,910. This figure is subject to change dependent on pupil numbers and will not be confirmed by the DfE until June. The modifications made in 2011/12 include the introduction of the pupil premium (which will target funding at children from deprived backgrounds, children in care and children of service families), the mainstreaming of specific grants for schools into the DSG and provision of funding for the extension of early years entitlement to 15 hours for three and four years old. The per pupil funding for the DSG is maintained in cash terms whilst the minimum funding guarantee will be set to ensure no school has a cut in its budget of more than 1.5% per pupil. The central expenditure limit (CEL) continues to be applied to prevent centrally retained budgets rising at a higher rate than the devolved budgets to schools unless the Schools Forum approves the breach. Approval has been given by the Schools Forum in Barnet to breach the CEL in 2011/12 due to the methodology of mainstreaming the specific grants referred to above.
- 1.4.17 The DfE also confirmed that the recoupment methodology for adjusting DSG allocations for converting academies will continue in 2011/12. This means that finalised DSG allocations in June will incorporate adjustments for schools that have converted to academy status during 2010-11 (three schools) and that the DSG will continue to be adjusted during the year for schools that convert during 2011-12. The financial impact of the conversions on the centrally retained budgets will be considered in setting the final Schools Budget in July. The government have made a reduction in the formula grant for the estimated costs for new academies and free schools for local authority central support

expenditure outside of the DSG for new academies and free schools. Because it is not possible to say precisely which schools in which local authorities will convert to academy status and where all new Academies and Free Schools will be, the government have stated it is not practical to target the reductions at individual local authorities and therefore a national top slice has been applied. The reduction in the formula grant for Barnet is £913,943. In the longer term, the government intends to develop a simpler and more transparent funding system for academies and the proposals are expected to be issued in late spring.

Budget is now grossed up

1.4.18 Given the removal of ringfencing for all grants, with the exception of the schools grant, this means that the presentation of the Council's budget for 2011/12 has been updated to reflect this. Previously, all specific grants were included in the Councils budget as net £nil, because the expenditure budgets matched the grant income coming in for that specific purpose. Now, due to the removal of the ringfencing of all grants with the exception of the schools grant, the Councils budget is presented as gross expenditure, all financed from the core revenue grants.

Summary of all corporate changes

1.4.19 The Council's financial model that underpins the Medium Term Financial Strategy is included in **Appendix 1**. The corporate assumptions that have been applied to this model are as follows:

- **Pay inflation** – the model assumes 0% pay inflation for 2011/12 and 2012/13, and 2.5% for 2013/14. It also assumes a flat £250 increase in 2011/12 and 2012/13 for employees earning under £21,000 per annum;
- **Non pay inflation** – a provision of 2.5% for non-pay inflation of 2.5% has been assumed for 2011/12, 2012/13 and 2013/14;
- There is no increase in the **employers pension contribution rate** following the draft actuarial report which was considered and agreed by the Pension Committee on 21 December 2010;
- Budget increases are necessary to fund the costs of the **North London Waste Authority levy** in future years, totalling £0.3m, £2.7m and £1.0m respectively over the next three years;
- **Capital financing costs** - £1.5m, £2.25m and £2.25m have been added to the budget in the next three years to fund existing borrowing commitments of the capital programme. It is important to note that the borrowing requirement has not increased, this provision funds existing commitments;
- Statutory changes to the way **concessionary fares** are funded require an increase in this budget of £3.2m, £0.4m and £0.4m over the next three years;
- Statutory changes to funding of **housing benefits** require additional budget of £1.5m over the next three years;
- The saving made in 2011/12 in respect of the removal of the **50% discount for long term empty properties** will only run for two years, and is therefore reversed out in 2013/14;

- A reduction in the costs of **redundancy and restructure** of £2m is realised in 2011/12, as most of these costs will be incurred before the 2010/11 year end;
- Changes to the way that the government will run the **Carbon Reduction Commitment** will cost the Council an estimated additional £0.5m from 2011/12 onwards;
- The funding of the **Commercial department** from 2011/12 onwards requires a budget increase of £0.9m;
- The **Big Society fund** requires a budget increase of £0.2m;
- Additional provision of £0.9m in 2012/13 and £3.1m in 2013/14 for **contingency**, particularly given that the settlement has not been announced for 2013/14;
- Additional savings coming from the replacement of the **local tax and benefit system** that will be realised in future years and are recognised in the financial model, totalling £0.9m over three years;
- £65k net adjustment for the **One Barnet** programme financing
- **One off contributions to reserves in 2010/11** of £2.5m are reversed in 2011/12 to provide a one off benefit
- An additional £4.5m is required in **specific reserves in 2011/12** to fund costs associated with Iceland litigation and future phases of innovation and efficiency projects.

1.4.20 The section above sets out all of the assumptions made in the budget model for 2011/12 onwards. The changes applied to the budget model *since the Cabinet report* on 13 December 2010 are as follows:

	2011/12 £m	2012/13 £m	2013/14 £m	Total £m
Cabinet gap	24.7	12.1	6.3	43.1
Adjustment to NLWA levy	(1.2)	1.0		(0.2)
Reversal of 50% discount on empty property in 2013/14			1.0	1.0
Contingency movements	1.1	(0.2)	3.1	4.0
Reserves movements	4.5	(2.0)		2.5
Final settlement changes	(2.7)	1.4		(1.3)
Additional collection fund income	(1.5)			(1.5)
Move removal of 50% discount on empty property from savings to Council Tax income (<i>total savings come down from £54.4m to £53.4m</i>)	(1.0)			(1.0)
	23.9	12.3	10.4	46.6

1.4.21 The detailed financial model that underpins the Council's budget is included at **Appendix 1**. The overall position for Member decision can be summarised as follows:

	2011/12 £m	2012/13 £m	2013/14 £m	Total £m
Revised Gap	23.9	12.3	10.4	46.6
Recommended pressures and investment	5.2	0.8	0.8	6.8
Gap after pressures & investment	29.1	13.1	11.2	53.4
Budget reductions	(29.1)	(14.0)	(11.2)	(54.3)
Less: removal of voluntary sector cuts	0	0.9	0	0.9
Final Gap	0	0	0	0

Savings

1.4.22 Given the unprecedented reductions to local government funding set out above, the Council has had a considerable challenge in developing savings to enable a balanced budget position to be set. Savings totalling £53.4m are included in **Appendix 2**. They are broken down as follows:

Service	Savings £'000
Adult Social Services	(17,461)
Chief Executive's Service	(3,623)
Children's Service	(12,041)
Commercial Services	(4,093)
Corporate Governance	(1,025)
Deputy Chief Executive	(2,253)
Environment & Operations excluding Special Parking Account	(8,267)
Special Parking Account	(3,233)
Planning, Housing & Regeneration	(1,430)
SERVICE TOTAL	(53,426)

1.4.23 Cabinet are asked to recommend the savings set out in **Appendix 2** for approval by Council.

Pressures

1.4.24 Budget pressures for agreement total £6.8m and are included in **Appendix 3**. They are in respect of the following:

Service	Pressures
	£'000
Adult Social Services	2,400
Children's Services	2,350
Commercial Services	500
Special Parking Account	1,000
Corporate Governance	150
Planning, Housing & Regeneration	400
SERVICE TOTAL	6,800

1.4.25 Cabinet are asked to recommend the pressures set out in **Appendix 3** for approval by Council.

Balanced position

As a result of the budget proposals set out above, the Council has a balanced budget position for the period 2011/12 to 2013/14. This is based on actual funding announcements for the first two years of this period, and assumptions about funding levels in 2013/14.

Strategic narrative for each service

1.4.26 Savings and pressures are incorporated into a medium term financial strategy for each service (**Appendix 4**). This section summarises the principles that underpin these strategies.

Adults Services

Adults' services have developed a number of budget proposals based on its underpinning principles of fairness and need. Savings have been identified around four key areas:

1. Being as efficient as possible – One Barnet; streamlining the workforce; improving outcomes and reducing duplication through partnerships with health; and effective and targeted procurement
2. Securing additional income through new contributions policy
3. Reducing Provider Spend through inflation containment and targeted reductions to move to industry benchmarks in order to develop a sustainable care market
4. Targeting services to those most in need through reducing universal and low level support services (voluntary sector, supporting people reductions) with an expectation that families and communities provide more lower level support in respect of social participation and leisure in partnership with Adult Social Care.

Children's Services

The delivery of Children's services savings has been based on the following principles:

1. Focus on early identification and prevention
 - Invest to save – investing in family support to reduce use of high cost acute and specialist services; and
 - Reshape and reduce services for children and young people – youth and connexions, youth justice and education welfare and children's centres
2. A new relationship with schools
 - Reshaping and reducing school improvement and support
3. Specific grants
 - Cease and reduce services in response to reduction in specific grants
4. Respond to increased demand for children's social care
 - In the short term, shift resources to respond to the sustained increased demand for front line child protection services

Environment and Operations

The delivery of savings in Environment and Operations has been developed around the following principles:

1. Sharing responsibilities with partners
 - Driving more from existing contracts – leisure, recycling
2. A different relationship with citizens
 - Reducing 'one size fits all' publicity
 - Giving people more control over service provision (e.g. allowing more events in parks)
 - Allotments to be run by the people who use them
 - Changes to the way we run recycling and waste services
 - Reconfiguring the parking service
3. Driving out savings without just cutting staff
 - Contractual overtime, consolidation, focussing on long-term sickness, reducing temporary staff and different working arrangements.
4. Alternative delivery for services
 - Transport and Parking Service
 - Part of the Development and Regulatory Services One Barnet project is in respect of E&O services.

Planning, Housing and Regeneration

The delivery of savings in Planning, Housing and Regeneration has been developed around the following principles:

1. One Barnet
 - Development and regulatory services project (years two and three)
2. Systems Thinking (Lean & efficiencies) savings (year one)
 - Management de-layering
 - Planning and regulatory services restructure
 - Business management support reduction
 - Lean housing review
3. Income growth & charges
 - Private sector leasing - rental income
 - Charging
4. Exploiting opportunities
 - New Homes Bonus
 - Tax incremental financing schemes & Business Rates
 - Community Infrastructure Levy
 - Devolved Planning/Building Control fees

Corporate services and support services

The delivery of savings in Corporate and support services areas have been developed around the following principles:

1. New service delivery models for back office and customer services from 2012
 - Revenues and Benefits, Customer services, Human Resources, IT, Finance, Legal, Asset management/property
2. Other efficiency measures
 - Better procurement, cashless organisation, vendor rationalisation
 - Benefits of flexible working, improved asset utilisation
 - Improved asset utilisation (reduced use of Barnet House and North London Business Park)
 - Further consolidation of office space and flexible ways of working
 - Better contract management
3. Better targeting of expenditure against need
 - Majority of savings through reducing grants budget by better targeting against need
 - Library service review

1.5 Performance and equalities impact assessment

Performance impact

- 1.5.1 Given the scale of the budget reductions that are needed as a result of the Spending Review, careful consideration needs to be given to the impact of budgetary decisions. **Appendix 2** categorises savings proposals into service reductions, proposals to increase income and proposals to increase efficiency. From the perspective of the budget strategy, the Council is committed to ensuring as much savings as possible come from efficiency measures rather than cuts to services. One Barnet projects and efficiency measures account for a total of 65% of the total savings included in this report.
- 1.5.2 However, as not all savings will come from improved efficiency, savings will need to be approved that will have an impact on the performance of services provided to residents. Service reductions have been targeted to minimise the impact on service delivery. This section sets out the potential impact on performance and corporate priorities. The council agreed the following three corporate priorities for 2010-13:

Better services with less money - We have a responsibility to make the most of the taxpayers money we are given. So, we are committed to making sure residents know they are receiving better services with less money. Our One Barnet programme is about delivering better outcomes more effectively, efficiently, equitably and economically to leave our customers feeling more satisfied;

Sharing opportunities and sharing responsibilities - We know that many of our residents want to be part of both sharing opportunities and sharing responsibilities. We recognise that some residents need more support than others and we will work with these residents to put them on the pathway to success; and

A successful London suburb - We will continue to enable the borough to grow sustainably by supporting prosperity whilst preserving and enhancing the physical environment. We will continue to support excellence in our schools and centres of learning. Working with the police and NHS Barnet, we will make sure Barnet remains a safe and healthy place to live, work and study.

- 1.5.3 Beneath these priorities are a series of key performance indicators included in the Corporate Plan. In putting together budget proposals, an analysis of the impact on these indicators has been carried out. The key performance risks are as follows:

- Adults Social Services – a range of proposals have been developed across services in this area. The key risks are around the delivery to people receiving self directed support and people receiving intermediate care or rehabilitation. The reduction in third sector funding may impact on our ability to increase the number of volunteers engaged in care related work (however, this reduction in funding has been reduced following initial consultation). The corporate plan also states that expenditure will be

moved to funding prevention models where we know there is a clear cost benefit , and there are proposals to reduce this investment. Overall, these effects should be mitigated to an extent by additional funding for social care coming through the NHS.

- Children's Services – a key priority in the Corporate Plan is around maintaining the high quality of schools in Barnet, and ensuring that disadvantaged groups such as children in care are able to share in the educational success enjoyed by Barnet pupils. Reductions in the school improvement service and the children's social care service could impact adversely on these priorities. Additional funding has been added to the social care budget, but this is in response to increases in demand, so may not fully mitigate against savings in other areas. The proposed cuts to adoption allowances and specialist social work may reduce adoptions and increase the numbers of children in the council's care, which are also subject to Corporate Plan improvement targets. The proposed reductions in youth services, which promote positive activities for young people including education, employment and training, may have an adverse impact on indicators such as school attendance, youth offending and youth unemployment, as well as the Corporate Plan educational attainment targets. There could be an impact on performance as a result of the changes to the way that Children's Centres will be delivered, but at this stage this is dependent on the options for the future of the service that are agreed following consultation with service users.
- Environment and Operations – there could be a positive impact on performance as a result of changes to waste collection in respect of recycling rates. Reductions in the budget for road maintenance is likely to have an adverse impact on the priority of investing in this area.
- Planning, Housing and Regeneration – there is not expected to be any adverse impact on performance on the key priorities - affordable family housing and homelessness - resulting from the budget proposals
- Chief Executive, Corporate Services, Finance, Commercial – most of the proposals in these areas are about the re-organisation and improved efficiency of back office functions which should not impact on the delivery of frontline services. However, there are risks to corporate priorities here, specifically around ensuring that the performance around customer contact and responsiveness improves whilst this service is re-modelled. There will also be a reduction in grant-funded services which have a preventive function, and this impact is being monitored carefully across the organisation.

Equality impact

- 1.5.4 Every budget saving included in this report has been subject to an Equality Impact Assessment. Assessments were made with an understanding of the 'protected characteristics' as set out in the Equality Act 2010. Cabinet must be

aware that there is likely to be a cumulative impact on some of the protected groups as a result of the budget proposals.

- 1.5.5 Elderly and disabled adults in receipt of services from Adult Social Care may also be affected by the reduction in the grants allocated to some voluntary sector organisations however; mitigating actions are in place to ensure that those with eligible needs will be properly assessed. These reductions may also impact on specific ethnic groups who are also disabled or elderly who have their own specialist support provision, though there is likely to already be some duplication of service which will be reduced by more focussed commissioning. Potentially, some women who are also carers of elderly or disabled children and other family members may be affected by reductions in the adult social services budget and the children's budget. The procurement of services from specialist providers amongst residential care providers for specific communities; and the additional responsibilities placed on carers who may also have a 'protected characteristic'. Within Children's Service the reduction of universal services may disproportionately impact upon children and young people who may also have a range of disabilities. The proposal to remodel specialist services such as 'Behavioural and high incidence support' to provide a 'team around the setting' is expected to provide improved targeting to those most in need.
- 1.5.6 The reduction in the grants scheme with its focus on community arts and community advice service is expected to have a negative impact across some protected groups.
- 1.5.7 A review will take place in six months time of the equality impact of savings proposals.
- 1.5.8 The key outcomes of equality impact assessments on the budget proposals are as follows:

Adults Social Care

The Adult Social Services savings proposals are based on principles of fairness and need with resources directed to those who need it most and ensuring that safeguarding vulnerable people remains a priority. Eligibility for social care services will be unchanged remaining at the substantial and critical levels following consideration by Cabinet Members. Savings proposals in Adults have maximised opportunities to be as efficient as possible around One Barnet, workforce changes, running costs, partnerships with health, the voluntary sector, procurement and reviewing care packages. There could be some negative impacts from reduced voluntary sector provision, however individuals will continue to have assessments of need and eligible needs will be addressed through personal budgets.

The following analysis highlights the equality data in respect of clients of Barnet adults social care services.

In House Services - The More Choices Project will change the way people receive Adult Social Services to enable service users to have more choice and control over their own support. This is part of the national Personalisation Agenda and therefore all councils are making these changes to ensure people can get the social care support that best meets their needs. A number of service users will be affected by the change. However, they and their families are involved in consultation about the changes. The service will continue to be commissioned by social services. Service users will have more say in the running of the services which could be of benefit.

Partnership with Health - The savings initiatives identified in the proposals should lead to a more integrated approach between health and social care and some of these will be financed through the NHS monies being passed to the Council to meet social care needs. There could be some negative impact initially of the reductions in staff but this will be mitigated by developing more joined up approaches which should be of benefit.

Transport - The One Barnet Transport proposal involves integrating transport for older people day care with special needs transport for children. This does mean that opening hours will change for day care affecting service users and staff. This has been consulted on but the imperative to make efficiencies has been overriding as transport will still be available.

Reducing provider spend - No differential impact amongst client groups as the threshold is the statutory Fair Access to Care Services. There are a number of specialist providers amongst the residential care providers for specific communities and they will be included in the same discussions as generic providers. Specialism takes the form of religious or condition-specific or disability needs and has sometimes attracted a premium in respect of cost. This will be addressed by individual meetings with providers and person-centred re-assessments for clients, on the basis of need and ensuring that eligible needs are responded to.

Reducing the costs of care packages through increasing the contribution that families and communities make – A council priority is Sharing Opportunities and Sharing Responsibilities. There is anticipation that the greater involvement of someone's family and community in meeting their social care needs can be an effective way of building social inclusion. A beneficial cycle has been found to be created when this use of 'social capital' is promoted. Initially, the individual is increasingly involved in society through the support of others. This then makes it easier for the individual to become an active member of communities, contributing to their overall robustness. There could be a negative impact on families and carers have expressed concern that this policy will put more pressure on them. However, needs of carers will be taken into account through assessments. In addition advice and information and support to carers remains a strategic priority.

Voluntary Sector - A Prevention Framework has been agreed by Cabinet Resources Committee. Investment in the Voluntary sector focuses on preventive services which are discretionary and statutory intervention funded from budgets from which the savings proposals are minimal. A policy which

will refocus voluntary sector investment on key areas will help minimise duplication and allow investment to cover groups of service users who currently do not receive services. Changes in investment could impact negatively on some people but people with eligible needs will have access to assessments and provision of services.

Review of care packages – there could be a negative impact on service users as a result of re-assessments and any consequent reductions in personal budget allocations. However, the Council will continue to meet the needs of **all** sections of the community with high level or complex needs with due regard to cultural and religious and other diverse needs. Reviews will be completed on an individual basis where eligible needs will be addressed with due regard to needs arising from disability.

Workforce Reductions - None of these proposals are targeted at services which support people from specific ethnic, religious, sex or gender groups. Consequently, no differential impact has been identified in relation to those dimensions of equality. All of these proposals could have a greater impact on people who use, or whose relatives use, social care services. Consequently, they could have a greater impact on the elderly and the disabled.

Reductions of social care staff were factored in when the new care model was set up as pump priming. A Lean programme to look at efficiencies in business processes has been initiated to maximise the use of internal resources. Also a review was conducted of how social care staff are deployed in mental health which resulted in the proposal to reduce mental health social work capacity. Agreement is being finalised with the Mental Health Trust which will strengthen the delivery of social care support to people with mental health problems.

Adults Social Care retendering - No expected equality impacts of proposals. The re-tenders seek to maintain services that support all sections of the community who are assessed as requiring a service.

Children's Services

The following savings proposals have the most significant impact on service delivery, and the equality impact is considered below:

Youth offer - The proposal may have a negative equalities impact. Vulnerable young people already experiencing some form of disadvantage, such as those at risk of exclusion or young offenders, may be disproportionately affected by a reduced universal service as they are likely to have higher support needs. However, services will be targeted at those most in need of support, including those young people at risk, as well as those already with more complex needs.

Teenagers with lower support needs may be disproportionately impacted by the reduction in universal services. The needs of these service users have been taken into account in designing the new youth offer which will encourage and support other community and local providers to grow the range of activities available to young people. We will also work closely with the voluntary sector

and other key partners to ensure that the potential of existing facilities for youth provision, both those owned by LBB and others in all areas of the borough, is maximised so as many young people as possible can continue to access services.

The proposed changes to services and the rationale behind them have been clearly communicated to stakeholders. Ongoing communication about how the proposed changes might impact on service users will take place to help minimise any perceptions about differential treatment.

Behavioural and high incidence support - The proposal to reduce behaviour support may have a negative equalities impact. Vulnerable young people already experiencing some form of disadvantage may be disproportionately affected as they are more likely to be service users. Children with special educational needs relating to emotional, social, language and behavioural difficulties and males particularly from black African and Caribbean backgrounds may be impacted as they are potentially more at risk of exclusion.

Re-modelling of services to provide a 'team around the setting' should help to provide some behavioural and emotional targeted support for children and young people to prevent exclusion. Further embedding the Common Assessment Framework process as a way of providing co-ordinated support to children and young people should also help to mitigate against the proposed reduction. Remaining services will be targeted towards those with the highest level of need in order to help reduce inequalities, and a Service Level Agreement regarding services to be delivered by the reduced team will be developed. In addition, the Educational Psychology team will shift its balance of work to provide more behaviour and SEN provision support; and schools will be asked whether they would like to purchase additional support around behavioural support as part of a traded service model.

New relationship with schools - The impact on pupils and their educational outcomes as a result of the new national and local school improvement arrangements are not yet known. It is anticipated that there could be a positive equalities impact on schools and pupils, although this will be dependent on the funding available to schools and what level of support they are able to purchase.

Schools will be able to purchase support to meet the needs of all pupils and, in line with feedback, a Local Authority school improvement traded service will be provided for primary schools. The residual Local Authority monitoring and challenge team will ensure that both primary and secondary schools are identifying the areas in which they need to improve and will act as an early warning system should inequalities appear to be occurring.

Environment and operations

The following savings proposals have the most significant impact on service delivery, and the equality impact is considered below:

Allotments – none of the specific equality strands have been identified as being exclusively or specifically affected by the allotment fees increase when compared to the impact on allotment holders as a user group.

The detailed EIA however identifies people on lower incomes as a group potentially impacted by the proposals.

It would not be possible to mitigate the effect of any such increase on those on lower incomes without carrying out complicated means testing investigations to identify differing levels of income.

Parking charges - it is not anticipated that the proposed changes will adversely affect any specific equality strand grouping in a unique or exclusive manner nor discriminate against any. It is therefore anticipated that this service change will in fact affect all the identified groups equally. However, the nature of these proposals means it is likely to have a more significant impact on residents with lower incomes.

Overall, the proposed changes have an equal effect on all the service users/customers identified but the impact on specific individuals may be higher depending on the income levels of different residents and therefore there are no mitigating actions for the council to take in order to reduce this disparity.

A significant number of the residents who have contacted the council on these proposals express an objection to the proposed increase to the cost of resident permits, visitor vouchers and the removal of free bays. The vast majority felt that this rate of increase is unjustified and will also impact adversely on the welfare of the economically challenged.

Chief Executive's and Customer Services

The following savings proposals have the most significant impact on service delivery, and the equality impact is considered below:

Reductions in the grants scheme – In the case of the community arts service and community advice service there will be a negative impact across several protected groups as set out in the EIAs. This is principally the direct result of reductions in the number of people that will be able to access the services once the budgets are reduced. There will be a disproportionate effect on people with protected characteristics because there is a high correlation between these and the groups the services are designed to serve.

The principal mitigation is to ensure future provision is focussed more closely on those who need it most, both geographically and in terms of which residents are targeted. In the case of community arts, this will mean ensuring 100% of grant funding is spent on assisting older people, disabled people and people with mental health problems. With community advice, we will focus primarily on welfare benefits and debt advice and require the contractor to act

proactively to find people who need the service most. Both services will be better targeted in the geographical sense. However, these measures may not completely mitigate against the impacts.

Any equalities impacts of withdrawing core funding for the artsdepot will only impact if the artsdepot as a consequence changes or scales down its programme or is unable to continue to trade. The potential impacts are not clear cut, but any impact on the artsdepot's programme would impact on those with protected characteristics as well as other users, but we do not have any evidence that there would be a greater impact on the former than the latter. Consultation responses suggest that some mitigation of any impacts could be achieved by seeking to retain the arts depot as a community hub. The Council has decided to continue its contract with artsdepot for a programme for children and young people as part of its youth offer, but another provider would have to be found if artsdepot were unable to continue providing it.

The equalities impact of rolling the Council's small grants funding into the Big Society Innovation Fund should be minimal in 2011/12 as fluctuations in other funds we administer will result in broadly the same amount of funds being available for small grants as have been available this year.

The Council recognises that the cumulative effect of the range of budget proposals could impact disproportionately on Barnet's voluntary and community sector.

Museums – the decision to withdraw funding from museums would result in cessation of Church Farmhouse Museum (pending review of future options); and withdrawing Barnet Museum grant. Evidence from the museums suggest that there would be an expected impact on school-aged children (class visits), reduced infrastructure used by adults and older adults for pleasure and leisure, and reduced infrastructure used by families, individuals, and local history and interest groups. However, analysis of national and local customer information suggests that this proposal is not expected to have a disproportionate impact on any group covered by equalities legislation.

- 1.5.9 Consultation has taken place on budget options both at a Council wide level, and at a service level on detailed options, to ensure that the impact of proposals has been fully explored with service users. This is an important part of ensuring the assessment of the equality impact has been considered properly.

1.6 Staffing implications and associated costs

1.6.1 The budget savings set out in this report at **Appendix 2** have a number of implications in terms of staffing:

Service	Letters sent	Per budget headlines	2011-12	2011-12	2012-13	2013-14
	Actual At risk	Expected At risk	Employee	FTE	FTE	FTE
Adult Social Services	37	38	28	47	6	28
Chief Executive Service	3	8	2	7	0	0
Children's Service	146	141	103	88	21	69
Children's Service - Grants EIG	174	225	77	77	0	0
Children's Service Grants DSG inc Academies	62	116	15	6	0	0
Children's Service - Grants general grant withdrawal	59	67	50	35	0	0
Commercial	37	39	2	2	4	0
Corporate Governance inc Grants	58	74	11	12	3	3
Revenues and Benefits	2	2	2	4	0	0
Customer Services, Libraries, Registrars inc Bookstart Grant	20*	19*	8	11	22	0
HR	0	1	1	2	1	0
IS	0	0	0	4	8	0
Environment & Operations inc Grant Withdrawal	63	62	31	54	13	1
Special Parking Account	12	12	8	12	0	0
Finance inc Grants	8	8	1	3	1	12
Planning, Housing & Regeneration	3	6	6	16	0	0
SERVICE TOTAL	684	818	345	380	79	113

1.6.2 The above information is provided to enable the Cabinet to understand the full service delivery and financial implications of the budget proposals. All staffing related decisions are the responsibility of Council.

Redundancy Consultation Process

1.6.3 Statutory 90 day consultation commenced on 3rd December 2010 and will close in March 2011. The full consultation document can be found on the Council's intranet. The consultation process will consist of collective consultation with the Trade Unions and individual consultation with staff at risk of redundancy. The total number of staff at risk is estimated at approximately 800. Consultation is concerned with:

- Avoiding the dismissals;
- Reducing the numbers to be dismissed; and
- Mitigating the consequences of the dismissal.

1.6.4 Where there are restructures required to deliver these savings then consultation will also take place on these changes during the 90 day period so that the restructures can be implemented by 31 March to ensure that full in year savings are achieved. It is intended that redundancy dismissals will be completed by 31 March 2011 except for those people on teaching terms who have extended notice periods.

Severance

1.6.5 Severance payments will be calculated in accordance with the Managing Organisational Change Policy agreed at the General Functions Committee on 25 October 2010.

Severance Costs

1.6.6 The cost of redundancies is estimated at between £7m and £10m. The Council has applied for permission to capitalise these costs in 2010/11, and received approval to capitalise only the statutory element of these costs, totaling £2.3m. There is currently a revenue provision of £7.0m in our budgets to meet redundancy costs. These costs are factored into the 2010/11 budget position as set out above.

1.6.7 An internal redeployment panel has been established which scrutinizes all redundancy costs to ensure that the Council's limited resources are used to best effect. All potential redundancies are scrutinized over the level of their cost and where the total cost of making an employee redundant is in excess of 18 months salary (excluding on-costs) then the Directorate will be asked to reconsider whether the saving could be achieved in another way. The redeployment panel comprises the Deputy Chief Executive; Assistant Director HR and the relevant Service Director.

Equality Impact Assessment (EIA)

1.6.8 A Council wide staff EIA has been undertaken and this looks at the Equality impacts at key milestones. The data collected at the point that staff were identified as at risk is as follows:

1.6.9

		Equality Dimensions At Outset		Equality Dimensions at Initial Identification at risk of redundancy	
Date		3.12.2010		3.12.2010	
		No.	% of popn	No.	% of at risk population
Number of employees		4159	-	684	16.4%
Gender	Female	2780	66.8%	495	72.4%
	Male	1379	33.2%	189	27.6%
Date of Birth	1996-1986	166	4.0%	19	2.8%
	1985-1976	835	20.1%	164	24.0%
	1975-1966	1049	25.2%	187	27.3%
	1965-1951	1758	42.3%	273	39.9%
	1950-1941	322	7.7%	41	6.0%
	1940 and earlier	29	0.7%	0	0.0%
Ethnic Group	White	2596	62.4%	446	65.2%
	Mixed	92	2.2%	15	2.2%
	Asian and Asian British	436	10.5%	52	7.6%
	Black or Black British	515	12.4%	79	11.5%
	Chinese or Other Ethnic Group	104	2.5%	15	2.2%
	Not declared/Blank	416	10.0%	77	11.3%
Disability	Disabled	34	0.8%	7	1.0%
	No disability	3893	93.6%	638	93.3%
	Not stated	232	5.6%	39	5.7%
Pregnancy and Maternity	Maternity Leave (current) (SMP&OMP)	55	1.3%	0	0.0%
	Maternity Leave (in last 12 months)	86	2.1%	0	0.0%
Religion or Belief	Christian	1911	45.9%	318	46.5%
	Hindu	230	5.5%	22	3.2%
	Jewish	150	3.6%	33	4.8%
	Muslim	178	4.3%	32	4.7%
	Other religions inc Buddhist and Sikh	194	4.7%	27	3.9%
	No religion	752	18.1%	142	20.8%
	Not stated	744	17.9%	110	16.1%
Sexual Orientation	Heterosexual	2659	63.9%	466	68.1%
	Other	55	1.3%	13	1.9%
	Not stated	1445	34.7%	205	30.0%
Marriage and civil partnership	Married	1370	32.9%	199	29.1%
	Single	1052	25.3%	162	23.7%
	Other	178	4.3%	24	3.5%
	Not stated	1559	37.5%	299	43.7%

1.6.9 The at risk data has been collected and the data identifies that females at initial risk of redundancy are 5% higher than the outset data. This reflects the fact that children's centres are predominantly female environments and all children's centres staff have been put at risk pending clarification of the grant funding situation and the completion of the service user consultation about children's centres.

1.7 Council Tax

1.7.1 The detailed Council Tax base schedules are included in **Appendix 4**. Under delegated powers, the Chief Finance Officer has determined the 2011/12 taxbase to be 139,657 (Band D Equivalents) – the calculation is set out below:

Council Taxbase	Band D Equivalent	
	2010/11	2011/12
Number of properties	160,836	161,644
Estimated discounts	(18,050)	(18,248)
Estimated other changes	(3,479)	(1,775)
Total Relevant Amounts	139,307	141,622
Estimated non-collection (1.5%)	(2,089)	(2,125)
Contribution on lieu of MoD	228	160
Council Taxbase	137,446	139,657

Council Tax

1.7.2 The calculation of the council tax for Barnet is set out below:

BUDGET	2010/2011 Original	2010/2011 Current	2011/2012 Original
	£	£	£
Total Service Expenditure	300,768,570	298,721,570	284,329,571
Contribution to / (from) Specific Reserves	2,550,589	1,973,430	3,996,192
NET EXPENDITURE	303,319,159	300,695,000	288,325,763
Other Grants	(36,414,053)	(33,789,894)	(33,354,200)
BUDGET REQUIREMENT	266,905,106	266,905,106	254,971,563
Formula Grant	(111,902,000)	(111,902,000)	(99,505,391)
Collection Fund Adjustments	(1,998,060)	(1,998,060)	
BARNET'S DEMAND ON THE COLLECTION FUND	153,005,046	153,005,046	155,466,172
Council Tax	137,446	137,446	139,657
Basic Amount of Tax	1,113.20	1,113.20	1,113.20

1.7.3 The provisional GLA precept is £43,268,532, making the total estimated demand on the Collection Fund £198,734,704. The final GLA precept will not be agreed until 23rd February 2011 so will still be in draft at the time that Cabinet approve this report.

1.7.4 The Council is required to set levels of council tax for each category of dwelling. As there are no special items within Barnet's or the GLA's budgets affecting parts of the borough, there are only eight amounts of tax to set, as set out below:

Council Tax Band	Barnet	GLA	Aggregate
	£	£	£
A	742.13	206.55	948.68
B	865.82	240.97	1106.79
C	989.51	275.40	1264.91
D	1113.20	309.82	1423.02
E	1360.58	378.67	1739.25
F	1607.96	447.52	2055.48
G	1855.33	516.37	2371.70
H	2226.40	619.64	2846.04

1.7.5 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 Benefit.

1.8 Housing Revenue Account

Introduction

1.8.1 The Local Government & Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account and prescribed the debits and credits for it. Any surpluses generated from the HRA can be used to support the account when it fails to break even and for any one year a budget can be set such 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 2010 the HRA balances were £4.143m, and forecast to be £4.880m at 31 March 2011.

1.8.2 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. However, the national housing subsidy system is a mechanism for redistributing resources between local housing authorities and in 2011/12 Barnet has to

contribute £10.9m to the pool. The Coalition Government has confirmed its commitment to proceeding with reform of the National Housing Revenue Account subsidy system (NHRASS) following work carried out under the previous government. The key element of the proposal is a move to a self financing system whereby councils will keep all the rents that they collect to pay for the management and maintenance of council housing, in return for taking on additional debt rather than paying negative subsidy to the government as at present.

- 1.8.3 It has been the practice in earlier years to use some of the surpluses generated from the HRA to finance capital investment in the housing stock as capital resources are scarce. This can only be done in future if the level of balances is high enough to meet any contingencies that may arise. The draft HRA for 2011/12 shows an improved position compared to that previously reported in the forward financial plan with an estimated contribution to balances of £1.8m. The longer term position will need to be reviewed, with the updating of the 30 year business plan required for the self financing model, once the details of the Government's self financing offer are known.
- 1.8.4 The Housing Revenue Account (HRA) is a statutory ring-fenced account covering all revenue expenditure and income relating to the housing stock. The Council is required to construct a budget to ensure that the account for the year does not show a debit balance. 2011/12 will be the seventh year of management of the housing stock by Barnet Homes, and the summary HRA is shown in **Appendix 5**.

Rent Restructuring and 2011/12 Rent Increase

- 1.8.5 The Government's rent convergence policy – together with a formula for setting annual council and housing association rent increases – was introduced in the early 2000's with the aim that local authority and housing association tenants will eventually pay similar rents for similar properties in similar areas. At the time, it was thought this would take around 10 years to implement.–All rents would eventually be calculated on the same basis, with 70% based on average earnings for the region (adjusted for numbers of bedrooms) and 30% based on the valuation as at January 1999. The Government consulted during the summer of 2005 on a 3-year review of rent restructuring, and implemented its proposals in 2006/07. These involved a re-calculation of base formula rents in line with those used for housing association properties, together with higher weightings for properties with three or more bedrooms
- 1.8.6 Ministers have decided to stay with rent convergence policy and to use the existing formula to determine the average guideline rent increase for 2011-2012. The rent increase has, therefore, been established according to RPI inflation at September 2010, which was 4.6%, combined with a factor for convergence. The Determination is based on convergence within 5 years, a measure which gained support in consultation responses. A 2015-2016 convergence timeframe is consistent with the Department's work on self-financing.

- 1.8.7 These inflation and convergence factors have been used to calculate 2011-2012 guideline rents, and have resulted in a national average increase of 6.8%. However the increase to any individual property is limited to inflation (deemed to be 4.6%) plus 0.5% plus £2 per week (on a 52 week basis) The application of the rent convergence formula combined with rent limitation has resulted in an average rent increase of 6.5% for Barnet tenants, i.e. 0.3% below the national average rent increase. Should rents be increased by less, this would lead to a reduction in service provision.

Housing Subsidy

- 1.8.8 The Final Housing Subsidy Determination for 2011/12 was received on 10th January 2011 and details are set out below together with recommendations for changes to charges within the HRA for 2011/12.
- 1.8.9 The management allowance has been set at £698.24 per dwelling, an increase of 4.39%, while the maintenance allowance has increased by 6.35% to £1,376.80 per dwelling. The guideline rent increase reflects the restructuring referred to above.
- 1.8.10 The Major Repairs Allowance (MRA) is also paid as part of housing subsidy. Barnet's allocation has increased by £456,704 from 2010/11 to £9,315,504 (£848.17 per dwelling).

Service Charges

- 1.8.11 Service charges for tenants were introduced in 2003/04 for specific services (mainly caretaking), and it is proposed that these be raised by 5.1%. Charges for these services will not generally recover the full cost of their provision. The proposed increase is in line with the rent increase, excluding convergence factor (RPI of 4.6% plus 0.5%)
- 1.8.12 Barnet Homes are undertaking a detailed review of heating charges and recovery and it is proposed that the charges are frozen pending the outcome of the review.

HRA Summary & Working Balance

- 1.8.13 Total expenditure for 2011/12 is estimated at £55.077m, including payment of £10.887m to the Government in respect of housing subsidy. The proposed average rent increase of 6.5% is estimated to raise an additional £2.932m after the effect of forecast reduction in property numbers is taken into account. Efficiency savings made by Barnet Homes have resulted in a reduction in the management fee of £0.35m for 2011/12.
- 1.8.14 It is proposed that rents for the Council's hostels be increased in accordance with the general rent increase. Rents for the Council's shared ownership schemes will also be raised in line with the general rent increase. It is also recommended that rents on garages be increased by 6.5%.
- 1.8.15 The HRA for 2011/12 shows an estimated contribution to balances of £1.658m, thus the estimated balance at 31 March 2012 is some £6.738m.

HRA Minimum Revenue Provision (MRP)

- 1.8.16 Unlike the General Fund, there is no requirement for the HRA to be charged with the MRP or its depreciation equivalent. The Government's removal of this legal requirement, combined with subsidy changes results in there being no equivalent reduction in debt unless a voluntary charge is made – without subsidy, which has to be found from within HRA resources. Barnet's current policy is to not make a charge which is robust from a legal perspective. The option of making a charge remains a consideration for the council should it prove beneficial to do so.

Reform of Council Housing Finance

- 1.8.17 During 2009/10 the Government issued a consultation paper on the reform of council housing finance, which proposed dismantling the existing HRA subsidy system, replacing this with a self-financing system. This would be based on a 30-year business plan but would involve the redistribution of housing debt (some £18bn nationally) across all authorities. This would be based on a Net Present Value calculation based on the business plan.
- 1.8.18 The Council's joint response with Barnet Homes supported this in principle, but had concerns as to what the detail of such a proposal might entail. In particular the Council would almost certainly have to take on more debt as a result. Whilst this would be met through housing rents there is concern that as debt is pooled within local authorities there could be an adverse effect on the General Fund.
- 1.8.19 Details of the government's reforms were released on 1 February 2011 and are currently being considered in detail. A 30 year business plan was produced in May 2010 as required for consultation on the self financing model and this will be now be updated as the details of the Government's self financing offer emerges.

1.9 Capital Programme

- 1.9.1 The capital programme sets out the plans for investment in buildings, roads, equipment, other assets and capital grants over 2010/11 to 2013/14 and beyond.
- 1.9.2 The recommended capital programme is set out in **Appendix 6**. Decisions on the level of capital expenditure depend on the availability of various sources of funding. This includes capital grants, capital receipts, developer contributions and borrowing.
- 1.9.3 Government supports investment through capital grants that are generally ring fenced to specific programmes (such as schools) or projects and is real funding to the council. Barnet has received a small amount of funding for additional school places, and this is included in the financing of the proposed capital programme.

- 1.9.4 Previously the government has also funded capital investment through by providing revenue funds for “supported borrowing”. The system has changed for 2011/12, and there is no longer supported borrowing available to Councils.
- 1.9.5 The financing of the capital programme assumes an additional £40m of capital receipts being generated to finance the programme over the next 3 years. This level of funding is essential if the Council is going to continue to make minimum investments in local infrastructure. This figure is underpinned by a detailed schedule of assets surplus to requirements.
- 1.9.6 New capital proposals are supported by a full business case, which details the contribution schemes will make to achieve the Council's priorities, all the available options for implementing the project and financial implications of each. The relative merits of each proposal are assessed within the context of available capital resources to produce a prioritised capital programme.
- 1.9.7 At a service level, the capital programme is underpinned by asset management plans, which make an assessment of the resources needed to maintain and upgrade the Council's estate.
- 1.9.8 Provision for revenue costs (running costs and borrowing) are included in the revenue budget. Updated reports will be submitted to Members to confirm final costs. Regulations on minimum revenue provision require the council to agree the policy for repayment of capital. The policy is included as part of the Treasury Management Strategy and the revenue budget and forward plan allows for the increase in the statutory cost for the repayment of borrowing based on asset life.
- 1.9.9 Reference has already been made to the prudent assumptions made on capital receipts that will be available to support the programme. The planned funding of the capital programme is included in **Appendix 6**. The planned level of borrowing is not forecast to increase at all for the period 2011 to 2014.
- 1.9.10 The HRA programme for the improvement of homes is managed by Barnet Homes. It has entered into partnering agreements with the major contractors who will deliver the bulk of the programme until 2011/12. Funding is via the ALMO Decent Homes borrowing, other supported borrowing, and the Major Repairs Allowance.

1.10 Treasury Management Strategy

1.10.1 The Treasury Management Strategy is included at **Appendix 7**. A revised Treasury Management Strategy was agreed by Cabinet Resources Committee on 30th November 2010. Since that point, the strategy has been updated to reflect the following:

- The prudential indicators have been updated to reflect the Council's capital programme; and
- The Strategy has been updated to reflect the latest forecasts for interest rates. Base rate is expected to remain at 0.5% for much of 2011/12, and therefore the assumptions in the budget strategy for interest receipts remain the same.

1.10.2 Cabinet are asked to note the Treasury Management Strategy as set out in **Appendix 7** which will go to Cabinet Resources Committee for approval.

1.11 Robustness of the budget and assurance from Chief Financial Officer

1.11.1 The Chief Finance Officer is required under section 25 of the Local Government Finance Act 2003 to report to the Council on the robustness of the estimates and the adequacy of reserves. The Council's reserves and balances policy has been updated and is presented for approval at **Appendix 8**.

Robustness of estimates

1.11.2 The financial planning process for 2011/12 and future years has taken place within the context of the most severe resource constraint experienced by local authorities for many years. The magnitude of the reductions in government support, and the front-loading into the first two years of the four-year Spending Review period, mean that particular regard must be had to the robustness of the budget estimates.

1.11.3 The financial planning process has been managed at officer level through a cross-Council finance and business planning group. This group has overseen the process for financial planning, including medium-term resource projections, the strategic context for the borough, the quantification of new pressures on resources, and the identification of potential budget savings. In recognition of the scale of the challenge facing the Council, the One-Barnet transformation programme has been a key element of the process and has been fully integrated into financial planning.

1.11.4 Partnership working is an important element in ensuring robustness in the budget estimates. The Council has engaged with partners on financial planning in a number of fora, and managed the crucial relationship with the NHS through a joint financial planning group.

1.11.5 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.

1.11.6 At Member level, the Budget and Performance Scrutiny Committee has considered the financial planning process and made recommendations to the Cabinet. The Cabinet has given extensive informal and formal consideration to the financial planning process, including at formal meetings in June, October and December 2010.

1.11.7 In the view of the Chief Finance Officer, the proposed budget for 2011/12 is robust.

Adequacy of reserves

1.11.8 The Council's reserves and balances policy sets out the reserves which will be maintained and the principles for determining adequacy.

1.11.9 For general reserves, the principles can be addressed as follows:

- Strategic financial context: this report sets out the severe resource constraint under which the Council will be operating through the medium-term. A balanced general fund position is put forward over the three-year period, requiring expenditure reductions/increases in income of £53.4m and unavoidable growth of £6.8m. For the housing revenue account, a challenging government settlement has been agreed for 2011/12, and major reform is anticipated in 2012/13 which will greatly increase the autonomy of the Council as a provider of housing;
- Governance arrangements: the annual governance statement for 2009/10 indicated that a robust governance framework was in place consistent with the six principles of the CIPFA/SOLACE framework. The key improvement areas identified for 2010/11 have been progressed satisfactorily;
- Robustness of the budget process: the above paragraph concludes that the budget-setting process has been robust;
- Effectiveness of risk management: the effectiveness of the risk management process has been improved during 2010/11, with clearer identification of service and corporate risks and clearer action plans to mitigate those risks. The corporate risk register is attached as **Appendix 9**, and service and corporate risks have been taken into account in budget setting and in considering the adequacy of reserves;
- Effectiveness of budget management: the Council has robust arrangements for managing budgets and performance, and these have been further improved during 2010/11 through the introduction of a new quarterly performance process and reports. However, in the view of the exceptional challenge of the current financial context, the officer finance and business planning group will monitor implementation of savings on a line-by-line basis, with monthly reporting to the Cabinet Resources Committee.

1.11.10 Having considered the application of the above principles, the Chief Finance Officer recommends:

- General fund general reserves of a minimum of £15m; and
- Housing revenue account general reserves of a minimum of £3m, increasing to a target minimum level of £5m over the medium term in recognition of planned increased local autonomy.

1.11.11 The latest position in respect of general reserves is as follows:

General reserve	March 2010	2010/11	March 2011	2011/12	March 2012
	£m	£m	£m	£m	£m
General fund	15.8	(0.8)	15.0	0	15.0
Housing revenue account	4.1	0.8	4.9	1.8	6.7

1.11.12 For specific reserves, the Chief Finance Officer has considered matters relevant to each reserve and advises the following planned levels:

Specific reserves	31/3/10	2010/11	31/3/11	2011/12	31/3/12
	£m	£m	£m	£m	£m
Risk	11.4	(2.0)	9.4	3.8	13.2
Transformation	3.5	3.0	6.5	(5.8)	0.7
PFI	5.1	(0.6)	4.5	(0.4)	4.1
Service reserves	12.6	(3.5)	9.1	0	9.1
Council total	32.6	(3.1)	29.5	(2.4)	27.1
Schools reserves	11.9	0	11.9	0	11.9
Total	44.5	(3.1)	41.4	(2.4)	39.0

2. LIST OF BACKGROUND PAPERS

2.1 None.

Medium Term Financial Plan APPENDIX 1	2010/11 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Total
	(Pre Emergency budget)	(Post Emergency budget)				
Budget brought forward	-		300,695	288,325	284,386	
Statutory/cost drivers						
Inflation (pay)			864	873	2,361	
Inflation (non-pay)			3,269	3,007	3,057	
Employer's pension contributions			0	0	0	
NLWA levy			283	2,713	1,000	
Capital financing costs			1,500	2,250	2,250	
Statutory/cost drivers sub-total			5,916	8,843	8,668	
Central Expenses						
LABGI grant cease			400			
Concessionary fares/freedom passes			3,200	400	400	
Housing benefit changes			1,200	300		
CT Base - Long Term Empty Discounts					1,000	
Restructuring & Redundancy costs			(2,000)			
Carbon reduction commitment			500			
Full year effect of changes in commercial department			900			
Big society fund			200			
Contingency				890	3,102	
Full year effect of 2010/11 savings			(868)	(59)	(17)	
Central Expenses sub-total			3,532	1,531	4,485	
One Barnet/Future Shape						
Savings not realised in 2010/11			1,565			
Budget not required (now funded from reserves)			(1,500)			
One Barnet/Future Shape sub-total			65	0	0	
Balances to/(from) reserves						
Specific reserves contribution 2010/11	2,551	2,461	(2,461)			
Emergency budget specific reserves 2010/11		(487)	487			
Specific reserves contribution 2011/12			3,996	(4,010)		
Specific reserves contribution 2012/13				1,981	(1,981)	
Specific reserves contribution 2013/14					1,981	
Reserves sub-total	2,551		2,022	(2,029)	0	
Total Budget requirement (net expenditure)	303,319	300,695	312,230	296,670	297,539	
New Formula grant funding						
RSG	11,989	11,989				
Redistributed NNDR	82,567	82,567				
Area Based Grant now in formula	15,297	15,297				
Specific Grant now in formula	2,049	2,049				
New Formula Grant incl ABG & Specific			99,505	90,618	89,349	
New Formula grant sub-total	111,902	111,902	99,505	90,618	89,349	
Other funding						
Grants discontinued	3,697.0	2,712	0	0	0	
Council tax	153,005	153,005	155,466	159,353	163,337	
Council Tax grant			3,849	3,849	3,849	
Early intervention grant	16,027	14,388	13,171	13,985	13,985	
Homelessness grant	1,173	1,173	700	700	700	
PFI credit	2,235	2,235	2,235	2,235	2,235	
HB and CT Admin	3,085	3,085	2,960	2,960	2,960	
New Homes Bonus	-	0	0	0	0	
Learning disabilities	10,197	10,197	10,439	10,686	10,686	
Collection Fund transfers	1,998	1,998				
Other funding sub-total	191,417	188,793	188,820	193,768	197,752	
Total Income from grant and Council Tax	303,319	300,695	288,325	284,386	287,101	
Budget Gap before savings	0	0	23,905	12,284	10,437	46,626
Savings (as set out in Appendix 3)			(29,105)	(13,084)	(11,237)	(53,426)
Recommended pressures (as set out in Appendix 4)			5,200	800	800	6,800
Budget Gap after savings			(0)	0	0	0

FINANCIAL AND BUSINESS PLANNING 2011-13 SAVINGS SUMMARY - GROSS SAVINGS

Service	2011-12 Gross Savings	2012-13 Gross Savings	2013-14 Gross Savings	All Years
	£'000	£'000	£'000	£'000
Adult Social Services	(8,660)	(4,857)	(3,944)	(17,461)
Chief Executive's Service	(1,604)	(1,589)	(430)	(3,623)
Children's Service	(6,444)	(1,044)	(4,553)	(12,041)
Commercial Services	(1,278)	(2,083)	(732)	(4,093)
Corporate Governance	(676)	(160)	(189)	(1,025)
Deputy Chief Executive	(1,148)	(810)	(295)	(2,253)
Environment & Operations excluding Special Parking Account	(5,732)	(2,052)	(483)	(8,267)
Special Parking Account	(2,613)	(239)	(381)	(3,233)
Planning, Housing & Regeneration	(950)	(250)	(230)	(1,430)
SERVICE TOTAL	(29,105)	(13,084)	(11,237)	(53,426)

Scenario budget planning - savings

Adult Social Services						
Line Ref.	Service area	Description of saving	Savings Type	2011-12	2012-13	2013-14
				£'000	£'000	£'000
Expected revenue savings (pa) £'000						
One Barnet Programme						
1	Revenue Income Optimisation	Make all community services chargeable through implementation of a new fairer contributions policy based on ability to pay	Income / charging	(897)	(212)	(40)
2	Transport	To rationalise the transport costs across adults day care transport with Children's Special Needs Transport by merging routes and/or reconfiguring opening times of Day Centres	Efficiency	(60)	(27)	0
3	E-recruitment	Savings will be generated in the service through use of the new electronic recruitment system	Efficiency	(8)	(10)	0
4	Adults	To increase income levels and reduce the overhead costs of the remaining in-house services as part of the One Barnet programme	Efficiency	0	(200)	0
Service Review / Reorganisation or Reduction						
5	User and Carer Engagement	A reduction of the Adult Social Services communications and refreshments budgets to support user and carer engagement through Partnership Boards	Service Reduction	(35)	0	0
6	Aids Support Grant	The saving will come from the deletion of the vacant post for an African Outreach Worker	Service Reduction	(22)	0	0
7	Enablement Service	Reduction of the administrative post to book British Sign Language interpreters	Efficiency	(38)	0	0
8	Social Work	Reduction of social work capacity as more people manage their own care arrangements through direct payments	Efficiency	0	0	(450)

Scenario budget planning - savings

Service		Adult Social Services				
Line Ref.	Service area	Description of saving	Savings Type	2011-12	2012-13	2013-14
				£'000	£'000	£'000
9	Commissioning & Transformation	Integrating similar functions across health and social care commissioning to reduce management costs and support joined up services	Efficiency	(50)	0	(40)
10	Integration across Council	Integrating similar functions across health and social care teams and provision to reduce management costs and deliver joined up services	Efficiency	0	0	(300)
11	Social Work - Mental Health Trust	Reducing mental health social work costs as a result of a restructure in the Mental Health Trust along service lines	Efficiency	(228)	0	0
12	Social Work - Long Term Conditions	Closer working with the NHS on long term conditions	Efficiency	0	(40)	(40)
13	Hospital Social Care Teams	Transfer of funding responsibility from social care to the NHS acute trusts for post discharge support for up to 30 days including the arranging of the care	Efficiency	(140)	0	0
14	Barnet Garden Project	Staffing reductions through the closure of Gardening Project run by Barnet Learning Disability Service	Service Reduction	(85)	0	0
15	Supporting People	Total of 5% savings per annum levied on supporting people contracts	Service Reduction	(210)	(210)	(210)
16	Supporting People	Efficiencies through changing the way that the older people's supported housing service is delivered	Efficiency	(150)	(150)	0
17	Supporting People	Reduction of the contract value for Generic Floating Support	Service Reduction	(132)	(132)	(132)

Scenario budget planning - savings

Service		Adult Social Services				
Line Ref.	Service area	Description of saving	Savings Type	2011-12	2012-13	2013-14
				£'000	£'000	£'000
				(350)	(550)	0
18	Third Sector	Delivering efficiencies and reducing costs through the voluntary sector working together	Service Reduction	(350)	(550)	0
19	Younger Adults - Learning Disabilities	Greater use of public transport and concessionary travel arrangements to support a reduction in the funding of individual transport packages of care	Service Reduction	(50)	0	0
20	Cross-Cutting Savings	Reduction in Waking Night staffing cover for both commissioned and in house services through use of Telecare	Efficiency	(88)	0	0
21	Younger Adults - All Groups	Greater community and family involvement in supporting disabled people to lead ordinary lives	Efficiency	(150)	(615)	(465)
23	Younger Adults - Mental Health	Better use of Mental health day opportunities	Service Reduction	0	(8)	0
24	Drugs & Alcohol Service	Greater use of non residential rehab placements for people with substance misuse	Service Reduction	(20)	(20)	(10)
25	Asylum Seekers	Reduction in the spend on asylum seekers as a result of the projected fall in numbers of asylum cases	Service Reduction	(13)	0	0
Efficiencies			Type			
26	Transport	To merge Adults Day Care Transport with Children's Special Needs Transport by merging routes and/or reconfiguring opening times of Day Centres	Efficiency	(104)	(28)	0
27	Transport Services	Reduction in the cost of administering Freedom Pass renewals	Efficiency	(32)	0	0
28	Communications Budget	Reduction in the Adults Social Services communications budget supported by a greater use of the web to reduce print costs	Efficiency	(40)	0	0

Scenario budget planning - savings

Service		Adult Social Services				
Line Ref.	Service area	Description of saving	Savings Type	2011-12	2012-13	2013-14
				£'000	£'000	£'000
				Expected revenue savings (pa) £'000		
29	Learning & Development	Greater efficiencies in commissioning and provision of training and development opportunities for Adult Social Care	Efficiency	(185)	(20)	(30)
30	Training	Training offer reduced to only support safeguarding and meet regulatory requirements	Efficiency	(150)	0	0
31	Supply Management & Direct Payments Team	Reductions in back office transactional functions (Supply Management) through new ways of working	Efficiency	0	(63)	(63)
32	Financial Assessments	Reductions in back office transactional functions (Financial Assessments) through new ways of working	Efficiency	0	(16)	(16)
33	Performance & Supply Management	Reductions in back office transactional functions (Business Systems and Business Support) through new ways of working	Efficiency	(41)	(91)	(110)
34	Across Services	Reduction of Strategic Commissioning capacity as service users directly commission services through direct payments	Efficiency	0	0	(318)
35	All Services	Sharing services with other Local Authorities and therefore reducing management costs	Efficiency	0	0	(250)
36	Care Services Delivery Management	Reduction of service management capacity within Care Services Delivery	Efficiency	(30)	0	0
37	Enablement Services	Transfer of funding responsibility for home care enablement from social care to the NHS acute trusts for post discharge support for up to 30 days to enable hospital discharge and prevent re-admissions	Income / charging	(500)	0	0
38	Across Services	Efficiencies through joint procurement with the NHS for Continuing Health Care	Efficiency	(400)	(200)	0
39	Learning Disabilities	Relocation of the Learning Disability Service from Ballards Lane to North London Business Park	Efficiency	(34)	0	0
40	In-House Services - General	Reduction in running costs for learning disability inhouse services	Efficiency	(55)	0	0

Scenario budget planning - savings

Service

Adult Social Services

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12	2012-13	2013-14
				£'000	£'000	£'000
41	Rosa Morrison / Barnet Independent Living Service	Targeted staffing reductions & efficiencies to non front line support staff within in-house services	Efficiency	(87)	0	0
42	Agatha House/ Supported Living Service	Reduction in management costs across the Barnet Supported Living Service and Agatha House through deregistration enabling integration into the supported living service	Efficiency	(74)	(25)	0
43	The Space	Remodelling of the Space day centre and integration with the Community Support Team	Efficiency	(132)	0	0
44	The Space	Reduction in running costs	Efficiency	(50)	0	0
45	Community Mental Health Network	Rationalising facilities costs through the disposal of the Network site on Station Road	Efficiency	(30)	(30)	0
46	Equipment and Adaptations	Implementing a retail model for small pieces of equipment & adaptations service to reduce delivery and collection costs and give people more choice	Efficiency	(200)	(100)	0
47	Home & Community Support / Enablement	Savings related to better ways of procuring and contracting for Home & Community Support & Enablement services	Efficiency	(1,200)	0	0
48	Home & Community Support / Enablement	Retendering of electronic call monitoring service for vulnerable adults	Efficiency	(30)	(30)	0
49	Younger Adults: Physical Disabilities	Reducing spend on 20 highest cost external Residential & Nursing Care placements through negotiation with these providers	Efficiency	(85)	0	0
50	Younger Adults -Learning Disabilities	Implementation of a national costing model for all Supported Living placements	Efficiency	(200)	(100)	(200)
51	Cross-Cutting Savings	Implementation of a national costing model for all younger adults residential care placements	Efficiency	(800)	(400)	(300)
52	Meals at Home	Re-tendering of Meals at Home contract	Efficiency	(70)	(10)	0

Scenario budget planning - savings

Service		Adult Social Services				
Line Ref.	Service area	Description of saving	Savings Type	2011-12	2012-13	2013-14
				£'000	£'000	£'000
53	Cross-Cutting Savings	Working with providers to contain inflationary pressures	Efficiency	(600)	(600)	(600)
54	Older Adults/PSI - Other Services	Integration of the Home Bathing Service as part of service offered by the Home and Community Support providers	Efficiency	(25)	0	0
55	Older Adults - Residential & Nursing Provision	Reduction of five nursing beds from the block contract	Efficiency	(130)	0	0
56	Older Adults - Residential & Nursing Provision	Reduction of 30 block residential beds to reflect falling admission rates into residential care and better use of the contract	Efficiency	0	(800)	(200)
57	Younger Adults: Physical Disabilities	Ensuring that Direct Payments promote independence	Efficiency	(20)	(20)	(20)
58	Younger Adults: Mental health	Enabling people to move from residential care into a home of their own with support	Efficiency	(150)	(150)	(150)
59	Reduction of 30% spend on the Social Care Reform Grant	Reductions in consultancy and streamlining of back office functions through implementation of LEAN systems	Efficiency	(480)	0	0
Other			Type			
60	Brain Injury Rehabilitation Unit	Regional Primary Care trusts have decommissioned the Brain Injury rehabilitation unit which includes funding to the Council for one social worker post		0	0	0
TOTAL				(8,660)	(4,857)	(3,944)

Scenario budget planning - savings

Chief Executives		Service		Expected revenue savings (pa) £'000			
Line Ref.	Service area	Description of saving	Savings Type	2011-12 £'000	2012-13 £'000	2013-14 £'000	
One Barnet Programme							
1	E' Recruitment	Procurement - E Recruitment	N	(1)	(1)	0	
2	Channel Shift	Customer Service Organisation Programme - consolidation of telephone contact staff and technology into a single service and encouraging significant increase in use of the web for customer contact	Efficiencies	(60)	(80)		
3	Revenue Income Optimisation	Implementation of Revenue Income Optimisation project	Income Charging	0	(30)	(30)	
4	Revenue Income Optimisation	Development of Settlement Checking Service (i.e. indefinite leave to remain)	Income Charging	(8)	(10)		
5	Procurement	Saving from procurement of Customer Services Organisation	Efficiencies		(300)		
6	Customer Service Organisation	Consolidation of management roles at Burnt Oak Customer Service Centre	Efficiencies	0	(60)		
7	Customer Service Organisation	Consolidation of management roles as a result of customer service consolidation and subsequent procurement	Efficiencies		(60)		
8	Customer Service Organisation	Reduction in team management roles as a result of contact centre consolidation	Efficiencies	(25)	(50)		
9	Libraries	Strategic review of libraries, to build a model for the service for the next 10 years. The project aims to provide better service for less money, focus service on needs within borough, extend partnerships with local partners, improve use of assets, and seek greater efficiency	Efficiencies		(500)		
10	Libraries	Consider alternative governance model for library service, including closer partnerships with other local authorities and local partners	Efficiencies		(135)	(275)	

Scenario budget planning - savings

Service

Chief Executives

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
11	Libraries	Review operation of mobile library and home library service to focus on need	Efficiencies	(75)	(40)	(10)
12	Libraries	Funding to operate Church Farm House Museum and support Barnet Museum to be withdrawn, taking effect from 1 April 2011. By 31 May 2011, review two proposals to operate museums independently (at zero cost to the Council) while also considering other options for future of the services	Service Reduction	(40)	(60)	(40)
Service Review / Reorganisation or Reduction						
13	Customer Services	Reduction in opening times at customer Services centre	Service reduction	(6)		
Efficiencies						
14	Customer Services	Review and consolidation of telephone contact staff and technology into a single service and encouraging significant increase in use of the web for customer contact	Efficiencies	(45)	(90)	
15	Estate costs	Capital programme to: reduce (c.£1m - 2m) maintenance backlog; reduce energy costs; and building backlog. This could present savings from the building budgets	Efficiencies		(30)	
16	Library support costs	Reduction of spending on supplies and services	Efficiencies	(64)	0	0
17	Library Bibliographical Services	Full effect of restructure of 2010	Efficiencies	(25)	0	0
18	Media fund	Improve efficiency of book buying, reducing costs of replacement of books	Efficiencies	(10)	(10)	
19	Archives	Archive moves to Hendon library, completed in 2010	Efficiencies	(12)		

Scenario budget planning - savings

Service

Chief Executives

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
20	Customer services	Reduction in external advertising	Efficiencies	(2)		
21	Registration & Nationality Team	Relocate registry office to Hendon	Efficiencies		(50)	
			Type			
22	Executive Directors	Efficiency saving from restructure of Director's Group	Efficiency	(596)	0	0
23	Grants	Efficiency savings from rationalising the processing of grants	Efficiency	(43)	0	0
24	Grants	Withdraw funding for Community Barnet's Funding Advice Service	Service reduction	(35)	0	0
25	Grants	Withdraw funding for North London Community Accountancy project	Service reduction	(15)	0	0
26	Grants	Consolidation of small grants programme into wider innovation fund	Service reduction	(26)	0	0
27	Grants	Withdrawal of core funding for Arts Depot	Service reduction	(194)		
28	Grants	Reduction in funding for the Arts preventative programme	Service reduction	(4)	(8)	(8)
29	Grants	Reduce Community Barnet core funding	Service reduction	0	(7)	(10)
30	Grants	Refocus community advice services to greater target need	Service reduction	(25)	(64)	(57)
31	Mayor's office	Change to overtime arrangements for mayoral drivers	Service reduction	(10)	0	0
32	Mayor's office	Reduce council support for civic events/town twinning	Service reduction	(8)	0	0
33	Mayor's office	Restructure Mayor's office	Efficiency	(15)	0	0
34	Communications	Delete vacant assistant comms officer post	Service reduction	(31)	0	0
35	Communications	Reduce funding for Assistant Director Communications post	Service reduction	(30)	0	0

Scenario budget planning - savings

Service

Chief Executives

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
36	Policy	Preventing Violent Extremism Programme	(144)	0	0	
37	Registration & Nationality Team	Development of Settlement Checking Service (i.e. indefinite leave to remain)	(7)	0		
38	Libraries	Implementation of Revenue Income Optimisation project	(10)			
39	Registration & Nationality Team	Development of Nationality Checking Service (NCS)	(25)			
40	Registration & Nationality Team	Provide professional photography at Citizenship Ceremonies	(5)			
41	Registration & Nationality Team	Charge for priority issue of certified copies of historic entries	(3)			
42	Registration & Nationality Team	Increase wedding fees	(6)	(4)		
43	Libraries	Pending decision on reduced Bookstart grant. Reduction of all grant would cease service				
TOTAL			(1,604)	(1,589)	(430)	

Scenario budget planning - savings

Children's Services						
Service						
Line Ref.	Service area	Description of saving	Savings Type	2011-12 £'000	2012-13 £'000	2013-14 £'000
One Barnet Programme						
1	Transport	Transport for pupils with Special Educational Need	Efficiency	(258)	(27)	0
2	Revenue Income Optimisation	Introduce new income generation opportunities in children centres, contact centre and through charging for training	Income Generation	(21)	0	0
3	E-Recruitment	E-recruitment	Efficiency	(17)	(20)	0
4	New Relationship with Schools	Reduce school improvement support service for primary and secondary schools, leaving a residual service to monitor and challenge under performing schools	Service reduction	(633)	(37)	(13)
5	Early Intervention & Prevention	Invest in early intervention and prevention services to save on the use of high end, high cost acute services	Efficiency	0	0	(2,180)
6	Youth Offer (1)	Reshape and reduce youth support services through increased commissioning of delivery, seeking efficiencies through integrating services and income generation, reducing local authority directly provided activities and reducing universal information advice	Service reduction	(1,407)	0	0
Service Review / Reorganisation or Reduction						
7	Youth Offer (2)	Cease youth services at two premises (premises costs)	Service Reduction	(50)	0	0
8	Youth Offer (3)	In addition to the reduction in budget above, further cut financial support for youth related services to further reduce activities and commissioning budgets	Service Reduction	0	(500)	0

Scenario budget planning - savings

Children's Services						
Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa)		
				2011-12	2012-13	2013-14
				£'000	£'000	£'000
9	Youth Offer (4)	Cease all remaining activity to support young people through youth services	Service Reduction	0	0	(958)
10	Building Resilience, Supporting Independence (BRSI)	Re-focus expenditure for children centres and related intervention and prevention services	Service Reduction	(285)	0	0
11	Behavioural and High Incidence support (1)	Reduce behavioural support for schools	Service Reduction	(67)	0	0
12	Behavioural and High Incidence support (2)	Further cut the behavioural and high incidence support service to focus on the delivery of statutory responsibilities, reducing training and support for schools and teachers	Service Reduction	(150)	0	0
13	Behavioural and High Incidence support and educational psychology (3)	Cease behavioural and high incidence support and reduce educational psychology service to further focus on the delivery of statutory responsibilities only, reducing individual work with children, training and support for schools and teachers	Service Reduction	0	0	(233)
14	Arts, play and sports	Reduce commissioning budgets for arts, play and sports	Service Reduction	(104)	0	0

Scenario budget planning - savings

Children's Services						
Service						
Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa)		
				2011-12	2012-13	2013-14
				£'000	£'000	£'000
15	Child and Adolescent Mental Health Service	Reduce contribution to Child and Adolescent Mental Health commissioning budget which funds a range of treatments and interventions for children experiencing poor emotional and mental health	Service Reduction	0	(100)	0
16	Schools and Learning; 14-19 curriculum	Further reshape/reduce of 14-19 curriculum team	Service Reduction	0	0	(90)
17	Teenage pregnancy	Cease all support for services aimed at reducing teenage pregnancy	Service Reduction	(90)	0	0
18	Substance misuse	Cease commissioning of services for supporting and preventing substance misuse	Service Reduction	0	0	(150)
19	Children's Social Care (1)	Reduce support for Children in Care provided to support their educational achievement and to promote good health and healthy lifestyles	Service Reduction	0	(100)	0

Scenario budget planning - savings

Children's Services						
Service						
Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa)		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
20	Children's Social Care (2)	Review and reduce adoption allowances for new children placed for adoption. Review and reduce clothing and holiday expenses for children coming into care	Service Reduction	0	(110)	0
21	Children's Social Care (3)	Cease specialist social work services for children and young people with emotional and mental health needs	Service Reduction	0	0	(249)
Efficiencies						
			Type			
22	Disabled Children's Service	Reduce costs through effective early intervention and prevention services to save on the use of high end, high cost acute services	Service Reduction	0	0	(280)
23	Management restructure	Restructure Children's Service senior management	Efficiency	(200)	0	0
24	Transport	Saving from greater efficiency for transport for pupils with Special Educational Need	Efficiency	(42)	0	0
25	Revenue Income Optimisation	Introduce new income generation opportunities	Income Generation	(6)	0	0

Scenario budget planning - savings

Service		Children's Services				
Line Ref.	Service area	Description of saving	Savings Type	2011-12 £'000	2012-13 £'000	2013-14 £'000
26	Increase fees and charges	Increase existing fees and charges across children's service	Income Generation	(102)	(50)	(50)
27	Workforce development, communications, performance and administration	Restructure and reduce workforce development, communications, performance and administration support functions	Efficiency	(212)	(100)	(100)
28	Building Schools for the Future	Building Schools for the Future discontinued	Efficiency	(250)	0	0
29	Specialist Advisory Team for children with hearing and/or visual impairment and other complex needs	Develop a different delivery model for specialist advisory services	Efficiency	(100)	0	0
30	Schools and Learning; 14-19 curriculum (efficiency)	Reshape 14-19 Curriculum delivery team (efficiency)	Efficiency	(50)	0	0
31	Pupil Referral Units	Reshape provision for children excluded from school	Efficiency	0	0	(250)

Scenario budget planning - savings

Service		Children's Services			
Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000	
				2011-12 £'000	2012-13 £'000
32	All	The Early Intervention Grant is a new unringfenced grant that incorporates a number of previously ringfenced grants, the most significant of which was Sure Start and Early Years Grant. This proposal is for a 30% reduction in services previously funded by this grant (see separate agenda item - Children's Centres and Related Services)	Service Reduction	(2,400)	
TOTAL				(6,444)	(1,044)
					(4,553)

Scenario budget planning - savings

Service

Commercial Services

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa)		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
One Barnet Programme						
	Revenue Income Optimisation			0		
1	E' Recruitment	E recruitment	Efficiency	(1.3)	(1.5)	
2	New Support Organisation	Transformation of the Estates Service	Efficiency		(135)	
3	New Support Organisation	Transactional Procurement transformation	Efficiency		(10)	
4	New Support Organisation	Consolidation of Estate Service Structure	Efficiency	(100)		
5	New Support Organisation	Alternative Service delivery model :estimate of savings available	Efficiencies	0	(600)	0
6	New Support Organisation	Consolidation of IS from service areas	Efficiencies	(96)	(224)	0
Other						
7	Facilities Management and Document production	Savings from renegotiating key contracts	Efficiency	(45)		
8	Asset Management	Reduction of resource earmarked for external asset management services. Service delivered using different framework arrangements and reorganisation of team as appropriate	Efficiency	(100)	0	0
9	Estates	Costs of maintaining properties pending sale	Efficiency		(120)	(120)
10	Property services	Re-evaluation of car allowances.	Efficiency	(32)		
11	Property services	Barnet House sub lease - Estates strategy of consolidation has vacated parts of Barnet House and made them available for lease	Income / Charging	(141)	(96)	
12	Estates- public offices	Estimated savings from renegotiation of rents and service charges for office accommodation	Efficiency	(52)	(270)	
13	Estates- public offices	Rentals from sub leasing of office accommodation	Efficiency			(250)
14	Estates - Public Offices	Barnet House- sub letting of space no longer required by LBB	Income / Charging		(380)	(212)
15	Mill Hill depot	Savings in Facilities Management from relocation of depot	Efficiency	0	0	(150)
16	Property services	Increased commercial rents income	Income / Charging	(50)	(50)	

Scenario budget planning - savings

Service

Commercial Services

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
17	Commercial Directorate	Further review of contracts and support staff on consolidation	Efficiencies	(400)		
18	Information Systems (IS)	7.5% target saving from all IS contracts	Efficiencies	(3)	0	0
19	IS Infrastructure	"Infrastructure as a service" contract implemented by Sept 2011. Consolidate infrastructure managed service, all infrastructure assets and all circuit costs into single contract.	Efficiencies	(150)	(150)	0
20	IS	Renegotiated extended contract for the Managed Services from July 2011. Target 10% additional saving.	Efficiencies	(73)	(24)	0
21	IS Support	Consolidate libraries IS support staff	Efficiencies	(35)	(22)	0
TOTAL				(1,278)	(2,083)	(732)

Scenario budget planning - savings

Service		Corporate Governance				
Line Ref.	Service area	Description of saving	Savings Type	2011-12 £'000	2012-13 £'000	2013-14 £'000
One Barnet Programme						
1	E Recruitment	E-recruitment projected savings	Efficiencies	(1)	(1)	
Service Review / Reorganisation or Reduction						
2	Crime and Anti Fraud Team (CAFT)	Reorganisation	Efficiencies	(21)	(9)	(9)
3	Corporate Governance Directors	Reorganisation	Efficiencies	(35)		
4	Performance & Organisation Development	Reorganisation	Efficiencies	(130)		
5	Electoral Registration	Reorganisation	Efficiencies	(27)		
6	Elections Team	Reorganisation	Efficiencies	(70)		
7	Democratic Services	Reorganisation	Efficiencies	(120)	(50)	(50)
Efficiencies						
8	Legal Services	Rationalisation	Efficiencies	(116)	(90)	(50)
9	Legal Services/ Democratic Services	Reduction in expenditure	Efficiencies	(15)		(30)
10	Insurance	Insurance re-profile	Efficiencies	(11)		
11	Cross-directorate	Expenditure reduction	Efficiencies	(10)	(10)	(10)

Scenario budget planning - savings

Service		Corporate Governance				
Line Ref.	Service area	Description of saving	Savings Type	2011-12 £'000	2012-13 £'000	2013-14 £'000
12	Cross-directorate	Rationalisation	Efficiencies			(40)
13	Civil protection	Reduction in expenditure across the service	Efficiencies	(20)		
			Type			
14	Democratic Services	Revision of Members allowances	Efficiencies	(100)		
TOTAL				(676)	(160)	(189)

Scenario budget planning - savings

Service

Deputy Chief Executive Services

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
One Barnet Programme						
1	New Support Organisation	Alternative service delivery provision - Revenues and Benefits	Efficiencies		(256)	
2	New Support Organisation	Alternative service delivery provision - Human Resources	Efficiencies		(150)	
3	New Support Organisation	Alternative service delivery provision - Finance	Efficiencies		(345)	(120)
4	E Recruitment	E Recruitment will provide the organisation with an online system which will deliver process improvements for HR and reduction in advertising costs for directorates	Efficiencies	(81)		
5	Revenue Income Optimisation	Introduction of Pre Paid Cards	Efficiencies		(40)	
6	Procurement	Procurement savings - Office Supplies	Efficiencies	(30)		
7	Procurement	Rationalisation of individual vendor payments/individual charge to BT/SAP Optimisation improvements	Efficiencies	(30)		
8	E Recruitment	Procurement	Efficiencies	(1)	(1)	
Service Review / Reorganisation or Reduction						
9	Human Resources	HR efficiency savings post implementation of One Barnet	Service Reduction			(300)
10	Human Resources	Workforce saving as part of e recruitment	Service Reduction	(45)		
11	Finance Support	Reduction of 1 vacant Finance Assistant post	Efficiencies	(30)		
12	Accounts Payable	Reduction of 1 vacant General Assistant post	Efficiencies	(24)		
13	Exchequer Savings	Restructure - merge of management roles	Efficiencies		(55)	
15	Internal Audit	Cessation of schools audit	Service Reduction	(34)		

Scenario budget planning - savings

Service

Deputy Chief Executive Services

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
16	Risk Management	Restructuring and consideration of alternative delivery options	Service Reduction (110)			
	Efficiencies		Type			
17	Human Resources	Changes to the Trade Union Facilities Agreement	Efficiencies (44)			
	Other		Type			
18	Benefits	Channel shift to the customer and integrate with new benefits system for completing forms on line.	Efficiencies (92)			
19	Benefits	Efficiencies from reduced management salary costs	Efficiencies (70)			
20	Local Tax and Control in conjunction with the print unit	Payment booklets will cease to be issued to customers wef 2011/12.	Service Reduction (50)			
21	Local Tax, Benefits and Control in conjunction with the print unit	Refunds will be issued by BACS not cheque wef 11/12.	Service Reduction (20)			
22	Student Finance	National arrangements to transition to the Student Loan Company from Local Authority control largely complete during early 2011/12. Small balance to be carried forward for storage and unforeseen costs and retrieval of documents	Service Reduction (150)			
23	Strategic Finance	Income recovery - VAT Fleming	Income Charging (337)	37	300	
24	Cashiers	Move to cashless Council	Efficiencies (175)			
25	Finance	Staff at risk of: grant withdrawal, and/or restructure to create efficiency savings	Efficiencies			
TOTAL			(1,148)	(810)	(295)	

Scenario budget planning - savings

Service

Environment and Operations

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
One Barnet Programme						
1	Revenue Income Optimisation	Charging for parking in the boroughs 7 remaining free car parks	Income / Charging	(125)	(6)	(7)
2	Transport	Change of transport routes and remodelling of routes for Children's and Adults	Efficiency	(28)		
3	Environment & Operations	Corporate introduction of E-Recruitment	Efficiency	(11)	(13)	
Service Review / Reorganisation or Reduction						
4	Greenspaces	Leisure contract savings following contract review	Service Review	(733)	(467)	
5	Greenspaces	Reduction in planned development works in parks	Service reduction	(100)	(100)	
6	Greenspaces	Transfer of allotments to community groups in line with Big Society agenda	Service Review	(14)		
7	Greenspaces	Transfer of bowls facilities to community groups in line with the Big Society agenda	Service Review	(78)		
8	Street Scene	Re-alignment of service delivery in Trade Waste	Service Review	(86)		
9	Street Scene	Cease provision of neighbourhood skip service	Service reduction	(238)		
10	Street Scene	Disposal of old / spare vehicles	Service reduction	(117)		
11	Waste & Sustainability	Reduction in advertising for the civic amenities site	Service reduction	(5)		
12	Waste & Sustainability	Reduction in home composting bin subsidy	Service reduction	(3)		

Scenario budget planning - savings

Service

Environment and Operations

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
13	Waste & Sustainability	Reduction in publicity budget for waste	Service reduction	(10)		
14	Waste & Sustainability	Reductions in May Gurney Contract	Service reduction	(91)		
15	Street Scene	Reconfigure graffiti crew	Service reduction	(46)		
16	Waste & sustainability	Alternative models of refuse and recycling service delivery	Service reduction	(171)	(832)	186
17	Highways	Reprofiling the new column installation programme for street lighting and investing the saving in new technology to include energy measures which will reduce energy consumption	Service reduction		(200)	(400)
18	Highways	Reduction in Highway Maintenance and re-alignment of Local Implementation Plan (LIP) funding	Service reduction	(1,500)		
19	Community Protection Group	CCTV mobile unit to cease	Service reduction	(67)		
20	Community Protection Group	Cease operation of Community Safety Trailer	Service reduction	(6)		
21	Environment & Operations	Rationalisation of management structure and savings on supplies and services	Service reduction	(170)	(175)	(225)
22	Transport	Savings from GoPlant contract moving from fixed planned maintenance to pay as you go for seasonal vehicles	Service reduction	(98)		
Efficiencies			Type			
23	Transport	Transport - Model 2 renegotiating service to rationalise provision	Efficiency	(35)		
24	Greenspaces	Efficiencies from changed working practices which includes reducing park-keeping services	Efficiency	(170)	(194)	
25	Street Scene	Reduction in the number of refuse rounds	Efficiency	(123)		
26	Waste & Sustainability	Efficiencies within Waste and Sustainability service	Efficiency	(55)	(11)	
27	Highways	Efficiencies within Highways team due to change in priorities and re-alignment of customer support in line with corporate initiatives	Efficiency	(824)	(24)	
28	Highways	Remove Funding School Crossing / and Road Safety Officers	Efficiency	(157)		
29	Community Protection Group	De-layering of management responsibilities	Efficiency	(51)		(37)

Scenario budget planning - savings

Service

Environment and Operations

Line Ref.	Service area	Description of saving	Savings Type	Expected revenue savings (pa) £'000		
				2011-12 £'000	2012-13 £'000	2013-14 £'000
30	Environment & Operations	Change to working practices to make more efficient use of resources	Efficiency	(600)		
	Other		Type			
31	Greenspaces	Charging for events in parks	Income / charging	(20)	(30)	
32		Grant funded posts				
TOTAL				(5,732)	(2,052)	(483)

Scenario budget planning - savings

Service		Special Parking Account				
Line Ref.	Service area	Description of saving	Savings Type	2011-12 £'000	2012-13 £'000	2013-14 £'000
One Barnet Programme						
1	Revenue Income Optimisation	Generation of income from charging for free CPZ spaces (net of 2010/11 in year saving)	Income / Charging	(565)		
2	Alternative Parking delivery	Alternative delivery method for Parking Service	Efficiency		(239)	(381)
Other						
3	Alternative Parking delivery	Alternative delivery method for Parking Service	Efficiency	(231)		
4	Income Generation	Generation of income from increasing charges for residents permits	Income / Charging	(830)		
5	Income Generation	Generation of income from increasing charges to business and charging an administration fee for changes to permits	Income / Charging	(397)		
6	Income Generation	Generation of income from increasing charges for visitors permits	Income / Charging	(590)		
TOTAL				(2,613)	(239)	(381)

Scenario budget planning - savings

Service						
Planning Housing and Regeneration						
Line Ref.	Service area	Description of saving	Savings Type	2011-12 £'000	2012-13 £'000	2013-14 £'000
One Barnet Programme						
1	E' Recruitment	Savings resulting from alternative service provision (E-recruitment)	Efficiency	(4)	(5)	
2	Development and Regulatory Services	Savings resulting from alternative service provision	Efficiency	(99)	(245)	(230)
Service Review / Reorganisation or Reduction						
3	PHR	Lean Systems Review and consolidation of Planning & Regulatory services with associated restructure and efficiencies to improve customer service through improving processes.	Efficiency	(200)		
4	PHR	Pre One Barnet Programme consolidation - 'management delayering'	Efficiency	(150)		
5	PHR	Housing Lean savings - Phase 2	Efficiency	(200)		
6	PHR	Business Management Support Reduction	Efficiency	(42)		
Other						
7	PHR	Rental income from private sector leasing properties on regeneration estates	Income / Charging	(200)		
8	PHR	Improved Business Planning and additional income from competitive charging at Hendon Cemetery and Crematorium	Income / Charging	(55)		
TOTAL				(950)	(250)	(230)

**FINANCIAL AND BUSINESS PLANNING 2011-13
PRESSURES SUMMARY**

Service	2011-12 Pressures	2012-13 Pressures	2013-14 Pressures	All Years
	£'000	£'000	£'000	£'000
Adult Social Services	800	800	800	2,400
Children's Service	2,350	0	0	2,350
Commercial Services	500	0	0	500
Corporate Governance	150	0	0	150
Special Parking Account	1,000	0	0	1,000
Planning, Housing & Regeneration	400	0	0	400
SERVICE TOTAL	5,200	800	800	6,800

Scenario budget planning - pressures

Adult Social Services

Service

		Expected revenue pressures		
		2011-12	2012-13	2013-14
	Service area	Description of pressure		
Pressures e.g. demography				
Demography	All Care Groups, especially Older Adults and Younger Adults with Learning Disabilities and Physical Disabilities	800	800	800
	Demographics pressures due to increase in those with social care needs especially those with Learning Disabilities and Older Adults including dementia			
TOTAL		800	800	800

Scenario budget planning - pressures

Children's Services						
Service						
Line Ref	Service area	Description of pressure	2011-12	2012-13	2013-14	Expected revenue pressures
	Pressures e.g. demography					
1	Early intervention and prevention	Invest to save early intervention and prevention (linked to saving option number 5)	1,000			
2	Social Care	Safeguarding - additional cost of chairs and minute takers for child protection conferences arising from increase in activity	50			
3	Social Care	Remove the vacancy factor in children's social work teams to meet the need for fully staffed front line social work teams complement of staff, account for agency costs to cover maternity, sickness and other absences in front line teams, contracting of int	850			
4	Social Care	Meeting the needs of increasing family assessments and contact arrangements as a result of the increase in care proceedings	250			
5	Social Care	Increasing cost of court ordered allowances for special guardianship, adoption and residence orders enabling discharge from care	200			
	TOTAL		2,350	0	0	0

Scenario budget planning - pressures

		Commercial Services			
		Service			
Line Ref	Service area	Description of pressure	2011-12	2012-13	2013-14
		Pressures e.g. demography			
1	Informations System (IS)	As the Council's use of technology to provide services continues to increase, the cost of providing and maintaining the underlying infrastructure, software licensing, and security periodically increases	500	0	0
	TOTAL		500	0	0

Scenario budget planning - pressures

Corporate Governance						
Line Ref	Service area	Description of pressure	Expected revenue pressures			
			2011-12	2012-13	2013-14	
Pressures e.g. demography						
1	Social Care	Increase in legal costs (lawyer, counsel and court costs) as a result of the increase in care proceedings	150			
TOTAL			150	0	0	0

Scenario budget planning - pressures

		Special Parking Account			
		Service			
Line Ref	Service area	Description of pressure	2011-12	2012-13	2013-14
Reductions in specific grant / statutory pressures					
1	Parking	Parking income came under pressure from severe weather conditions, the general economic climate and the installation of a new back-office system. Some income was also foregone as a result of the FA3 campaign. Work is being undertaken to understand the impact of such initiatives in order to mitigate these risks during future years and a detailed enforcement plan being prepared to target activity on the most significant areas and times.	1,000	0	0
TOTAL			1,000	0	0

Scenario budget planning - pressures

Service		Planning Housing and Regeneration			
Line Ref	Service area	Description of pressure	Expected revenue pressures		
			2011-12 £000	2012-13 £000	2013-14 £000
Reductions in specific grant / statutory pressures					
1	Planning	The end of the Housing & Planning Delivery Grant (HPDG) . HPDG - and formerly Planning Delivery Grant - has been integral to the Planning Service baseline budget for 7 years (2003-10) and therefore constitutes a significant lost specific income stream	400		
TOTAL			400	0	0

APPENDIX 4

REVENUE BUDGET 2011/2012

	2010/2011		2011/2012
	Original Estimate £	Current Estimate £	Original Estimate £
<u>Council Services</u>			
Adult Social Services	108,479,460	108,199,254	99,039,060
Central Expenses	53,655,850	52,869,470	62,912,470
Chief Executives' Services	12,242,060	11,798,601	10,385,201
Children's Service (net of Dedicated Schools Grant)	61,618,980	60,236,970	57,410,200
Commercial Services	15,628,020	15,940,880	14,633,180
Corporate Governance	5,951,330	5,898,140	5,938,680
Deputy Chief Executive	14,399,380	14,970,065	13,295,270
Environment & Operations	30,677,230	29,968,670	24,038,410
Highways - Special Parking Account	(5,092,000)	(4,309,720)	(5,922,720)
Planning, Housing and Regeneration	3,208,260	3,149,240	2,599,820
Total Service Expenditure	300,768,570	298,721,570	284,329,571

REVENUE BUDGET 2011/12

	2010/2011		2011/2012
	Original Estimate	Current Estimate	Original Estimate
	£	£	£
Total Service Expenditure	300,768,570	298,721,570	284,329,571
Contribution to / (from) Specific Reserves	2,460,870	2,460,870	3,508,752
Contribution to / (from) Balances	89,719	(487,440)	487,440
NET EXPENDITURE	303,319,159	300,695,000	288,325,763
Other Grants	(36,414,053)	(33,789,894)	(33,354,200)
BUDGET REQUIREMENT	266,905,106	266,905,106	254,971,563
Formula Grant	(111,902,000)	(111,902,000)	(99,505,391)
Collection Fund Adjustments	(1,998,060)	(1,998,060)	
BARNET'S DEMAND ON THE COLLECTION FUND	153,005,046	153,005,046	155,466,172
Greater London Authority - Precept	42,583,520	42,583,520	43,268,532
INCOME FROM COUNCIL TAX	195,588,566	195,588,566	198,734,704
Components of the Council Tax (Band D)	2010/2011	2011/2012	Increase
	£	£	
Metropolitan Police	216.83	225.31	3.91%
London Fire & Emergency Planning Authority	59.57	52.53	-11.82%
Mayor, Administration, Transport for London, Olympic Games and Boroughs' Collection Fund balances.	33.42	31.98	-4.31%
Greater London Authority	309.82	309.82	0.00%
London Borough of Barnet	1,113.20	1,113.20	0.00%
Total	1,423.02	1,423.02	0.00%

REVENUE BUDGET 2011/12

COUNCIL TAX SUMMARY

Council Tax Bands (based on property value)	2010/11	2011/2012	Tax Yield
	£	£	£
[Up to £40,000]	948.68	948.68	1,464,283
[Over £40,000 & up to £52,000]	1,106.79	1,106.79	8,080,499
[Over £52,000 & up to £68,000]	1,264.91	1,264.91	28,178,022
[Over £68,000 & up to £88,000]	<u>1,423.02</u>	<u>1,423.02</u>	36,949,673
[Over £88,000 & up to £120,000]	1,739.25	1,739.25	45,767,015
[Over £120,000 & up to £160,000]	2,055.47	2,055.47	35,010,096
[Over £160,000 & up to £320,000]	2,371.70	2,371.70	33,436,950
[Over £320,000]	2,846.04	2,846.04	9,848,166
			198,734,704

COUNCIL TAXBASE

Council Taxbase	2010/11	2011/2012	Income
	Band D Equivalents	Band D Equivalents	
Total properties (per Valuation List)	160,836	161,644	230,022,645
Exemptions	(4,149)	(4,439)	(6,316,786)
Disabled reductions	(124)	(121)	(172,184)
Discounts (10%, 25% & 50%)	(13,777)	(13,687)	(19,476,875)
Adjustments	(3,479)	(1,775)	(2,525,861)
Aggregate Relevant Amounts	139,307	141,622	201,530,939
Non-Collection (1.5% both years)	(2,089)	(2,125)	(3,023,918)
Contributions in lieu from MoD	228	160	227,683
	137,446	139,657	198,734,704

2011/12 Budget Summary and Forward Plan

Adult Social Services	2011/12	2012/13	2013/14
	£	£	£
Base Budget	108,479,460	99,039,060	94,982,060
Virements	(1,580,400)		
	106,899,060	99,039,060	94,982,060
<u>Efficiencies</u>			
	(6,346,000)	(3,725,000)	(3,552,000)
<u>Income</u>			
	(1,397,000)	(212,000)	(40,000)
<u>Service Reductions</u>			
	(917,000)	(920,000)	(352,000)
<u>Pressures</u>			
	800,000	800,000	800,000
Budget	99,039,060	94,982,060	91,838,060

Adults Social Services

Cost Centre	Division 1	Sub Division	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
Commissioning, Transformation & Resources	Performance & Supply Management	Divisional Management & Support	1,784,120	654,510	669,990
		Business Improvement	1,156,240	1,090,010	1,040,660
		Customer Financial Affairs	563,260	461,350	460,650
		Supply Management	1,634,610	1,619,840	1,546,700
		Training & Workforce Development	561,900	556,010	219,430
		Campus Repositioning	211,810	1,048,680	3,173,650
		Strategic Commissioning	3,335,240	3,839,790	5,373,050
		Supporting People	6,401,830	7,166,440	442,990
		Transformation	922,990	922,990	1,048,680
		Commissioning, Transformation & Resources Total			16,572,000
Older Adults & Physical Disabilities	Care Services Delivery	Divisional Management & Support	764,710	584,440	569,090
		Externally Purchased Services	35,437,540	35,258,570	31,757,040
		Direct Payments	5,081,980	5,081,980	5,219,330
		Complex Planning & Ongoing Support	2,903,180	2,269,100	2,265,750
		Access	1,754,450	2,064,980	2,062,480
		Customer Financial Affairs	0	0	-
		Enablement and Rehabilitation	1,076,450	886,010	846,690
		Other Services	718,430	680,840	619,570
		Barnet Independent Living Services	651,920	561,460	504,090
Older Adults & Physical Disabilities Total			48,388,660	47,387,380	43,844,040
Learning Disabilities	Care Services Delivery	Externally Purchased Services	18,659,660	27,348,720	26,124,750
		In House Services	5,177,340	6,698,260	6,216,030
		Assessment & Care Management	771,120	999,110	963,750
		Direct Payments	1,032,810	1,177,360	1,238,480
Learning Disabilities Total			25,640,930	36,223,450	34,543,010
Mental Health	Care Services Delivery	Externally Purchased Services	4,142,670	3,842,670	3,563,170
		Assessment & Care Management	315,930	299,420	299,060
		Direct Payments	91,800	156,410	171,400
		Mental Health Trust Partnership	2,557,980	2,394,710	2,132,990
		Other Services	633,300	596,800	570,800
Mental Health Total			7,741,680	7,290,010	6,737,420
Government Grant Income	Government Grant Income	Specific Government Grants	10,136,190	(61,210)	(61,210)
Government Grant Income Total			10,136,190	(61,210)	(61,210)
Grand Total			108,479,460	108,199,250	99,039,060

Subjective Analysis	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	20,964,120	20,544,000	19,462,100
* Premises Related	344,110	333,240	243,130
* Transport Related	1,587,020	1,559,860	1,299,110
* Supplies and Services	12,392,430	14,846,180	12,286,470
* Third Party Payments	70,886,010	79,035,190	74,937,470
* Transfer Payments	5,182,620	5,247,220	5,247,220
* Capital Charges	0	0	0
* Capital Financing Costs	1,011,120	(98,930)	(98,930)
* Secondary Recharges	0	0	0
** Expenditure Total	112,367,430	121,466,760	113,376,570
* Government Grants	10,136,190	10,136,190	10,136,180
* Other Grants, Reimbursements & Contribs	(4,094,430)	(13,628,460)	(14,698,450)
* Customer & Client Receipts	(9,929,730)	(9,775,240)	(9,775,240)
** Income Total	(3,887,970)	(13,267,510)	(14,337,510)
*** Net Expenditure	108,479,460	108,199,250	99,039,060

2011/12 Budget Summary and Forward Plan

Central Expenses	2011/12	2012/13	2013/14
	£	£	£
Original Budget	53,655,850	62,912,470	73,286,470
Virements	(256,380)		
Pay Awards	864,000	873,000	2,361,000
Standard Inflation	3,269,000	3,007,000	3,057,000
	57,532,470	66,792,470	78,704,470
<u>Full Year Effects</u>			
Changes in the Commercial Directorate	900,000		
2010/11 invest to save - Pericles Systems	(868,000)	(59,000)	(17,000)
	32,000	(59,000)	(17,000)
<u>Efficiencies</u>			
Restructuring and redundancy costs	(2,000,000)		
	(2,000,000)	0	0
<u>Pressures</u>			
North London Waste Authority Levy. change in levy due to increase in landfill tax rates and other operational costs, including a new formula for sharing waste disposal costs between the member boroughs.	283,000	2,713,000	1,000,000
Cessation of LABGI grant	400,000		
General provision for pressures in service areas that cannot be contained. The contingency makes provision for unforeseen expenditure and service pressures arising in-year that cannot be contained within base budgets.		890,000	3,402,000
Removal of the long term empty discounts in the council tax base			1,000,000
Increase in capital financing costs resulting from capital programme commitments and changes in the minimum revenue repayment regulations	1,500,000	2,250,000	2,250,000

2011/12 Budget Summary and Forward Plan

Central Expenses	2011/12	2012/13	2013/14
	£	£	£
Increase in concessionary fares levy due to the increase in the number of Freedom passes issued to Barnet residents and the cost of extending the scheme for elderly pass holders into the morning peak. Additional pressure due to loss of government grant for new national concessionary bus travel scheme	3,200,000	400,000	400,000
Big Society Fund	200,000		
Changes in Housing Benefit subsidy regulations from April 2010 will see tighter restrictions on the level of rents that can be charged and thus income to the council. The budgetary impact of this change will be phased in over two years with half of the first year's cost being met from reserves	1,200,000	300,000	(300,000)
One Barnet Savings for 2010-11 not realised fully	1,565,000		
Budget to Fund One Barnet Programme not required as will now be funded from reserves	(1,500,000)		
Carbon Reduction Commitment scheme. Contingent provision for loss on trading of carbon credits.	500,000		
	7,348,000	6,553,000	7,752,000
Budget	62,912,470	73,286,470	86,439,470

Central Expenses

Profit center	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
10015 Corporate Subscriptions	314,220	314,220	314,220
10016 Levies	24,443,050	24,443,050	27,926,050
10017 Central Contingency	5,528,100	4,739,190	9,199,190
10018 Rate Relief	433,300	433,300	433,300
10019 Capital Financing	15,718,670	15,718,670	17,218,670
10699 Early Retirement(NT)	4,820,380	4,820,380	4,820,380
10700 Corporate Fees & Charges	598,940	598,940	798,940
10718 Car Leasing	2,210	2,210	2,210
10719 CDC DRM	0	0	0
10720 CDC Corporate Management	0	0	0
10723 Insurance - External	0	0	0
10724 Insurance - Internal	0	0	0
10849 Early Retirement Costs Teachers	2,183,340	2,183,340	2,183,340
11121 Miscellaneous Finance	(386,360)	(383,830)	16,170
11178 Credit Card Charges	0	0	0
* Total	53,655,850	52,869,470	62,912,470

Profit and loss accounts	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	5,739,360	5,739,680	5,739,680
* Premises Related	829,490	829,490	829,490
* Transport Related	2,210	2,210	2,210
* Supplies and Services	1,533,930	1,536,140	1,736,140
* Third Party Payments	24,608,880	24,608,880	28,091,880
* Transfer Payments	431,180	431,180	431,180
* Support Services	0	0	0
* Capital Financing Costs	22,053,010	21,264,100	27,224,100
* Secondary Recharges	0	0	0
** Expenditure Total	55,198,060	54,411,680	64,054,680
* Government Grants	(400,000)	(400,000)	0
* Other Grants, Reimbursements & Contribs	(18,130)	(18,130)	(18,130)
* Customer & Client Receipts	176,040	176,040	176,040
* Interest	(1,300,120)	(1,300,120)	(1,300,120)
** Income Total	(1,542,210)	(1,542,210)	(1,142,210)
*** Total	53,655,850	52,869,470	62,912,470

Revenue Budget 2011/12

CENTRAL EXPENSES

Levies	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
	£	£	£
<u>Other Establishments - Third part Payments</u>			
Thames 21	5,520	5,520	5,520
Probation Service - Justices of the Peace	850	850	850
Environment Agency	280,730	280,730	280,730
Lea Valley Regional Park	428,350	428,350	428,350
London Pension Funds	787,000	787,000	787,000
Traffic Control Signals Unit	437,760	437,760	437,760
Concessionary Fares	11,162,280	11,162,280	14,362,280
Concessionary Fares Reserve	0	0	0
	13,102,490	13,102,490	16,302,490
<u>Joint Authorities - Third Party Payments</u>			
North London Waste Authority	9,964,080	9,964,080	10,247,080
Coroners Court	230,990	230,990	230,990
	10,195,070	10,195,070	10,478,070
<u>Other Local Authorities - Third Party</u>			
London Boroughs Grants	1,145,490	1,145,490	1,145,490
Total Levies	24,443,050	24,443,050	27,926,050

2011/12 Budget Summary and Forward Plan

Chief Executive and Strategy	2011/12	2012/13	2013/14
	£	£	£
Base Budget	12,242,060	10,385,201	8,797,201
Virements	(252,859)		
	11,989,201	10,385,201	8,797,201
<u>Efficiencies</u>			
	(972,000)	(1,405,000)	(285,000)
<u>Income</u>			
	(64,000)	(44,000)	(30,000)
<u>Service Reductions</u>			
	(568,000)	(139,000)	(115,000)
<u>Pressures</u>			
	0	0	0
Budget	10,385,201	8,797,201	8,367,201

Chief Executive Services

Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
***** ACE Management Team	620,230	781,700	587,790
***** Strategy	2,819,550	2,244,711	1,758,711
***** Communication	688,450	572,060	508,060
***** Assistant Chief Executive	4,128,230	3,598,471	2,854,561
**** Customer Services	1,427,370	1,414,920	1,276,920
**** Registration	(74,970)	(82,230)	(136,210)
**** Libraries Service	6,017,170	5,973,220	5,737,710
***** Customer Services, Libraries and Registration	7,369,570	7,305,910	6,878,420
***** Strategic Directors'	744,260	894,220	652,220
***** Chief Executive's Service	12,242,060	11,798,601	10,385,201

Subjective Analysis	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	9,312,470	9,108,560	8,292,960
* Premises Related	1,042,650	1,034,310	1,022,070
* Transport Related	113,370	90,280	90,280
* Supplies and Services	3,265,230	3,107,771	2,527,711
* Capital Charges	0	0	0
* Capital Financing Costs	(15,000)	(15,000)	(15,000)
* Secondary Recharges	(204,720)	(247,620)	(247,620)
** Expenditure Total	13,514,000	13,078,301	11,670,401
* Government Grants	0	0	0
* Other Grants, Reimbursements & Contribs	(64,370)	(122,870)	(64,370)
* Customer & Client Receipts	(1,207,570)	(1,156,830)	(1,220,830)
** Income Total	(1,271,940)	(1,279,700)	(1,285,200)
*** Total	12,242,060	11,798,601	10,385,201

2011/12 Budget Summary and Forward Plan

Children's Service	2011/12	2012/13	2013/14
	£	£	£
Base Budget Virement	61,618,980 (114,780)	57,410,200	56,366,200
	61,504,200	57,410,200	56,366,200
<u>Efficiencies</u>			
	(1,129,000)	(147,000)	(2,530,000)
<u>Income</u>			
	(129,000)	(50,000)	(50,000)
<u>Service Reductions</u>			
	(5,186,000)	(847,000)	(1,973,000)
<u>Pressures</u>			
	2,350,000	0	0
Budget	57,410,200	56,366,200	51,813,200

CHILDREN'S SERVICE

Children's Service - General Fund

Profit center	2010/11 Original Estimate	2010/11 Current Estimate	2011/12 Original Estimate
*** Children's Service Management Team	1,260,010	1,020,550	793,190
**** Children's Service Management	1,260,010	1,020,550	793,190
*** Children's Social Care Management	2,711,370	2,155,620	2,859,750
*** Children In Care	19,132,030	19,353,610	19,879,860
*** Children In Need	3,766,400	3,965,510	4,189,060
**** Children's Social Care	25,609,800	25,474,740	26,928,670
*** Schools & Learning Management	1,948,510	1,750,240	850,330
*** 14 - 19 Education	142,890	239,680	410,920
*** Admissions	388,800	398,910	304,040
*** Schools & Early Years	271,010	281,380	280,900
*** Schools Attendance	626,490	608,840	607,920
*** Other Services to Schools	(534,840)	(509,700)	(31,020)
**** Schools & Learning	2,842,860	2,769,350	2,423,090
*** Safeguarding, Prevention & Partnership Management Team	858,870	858,310	2,047,050
*** Safeguarding	982,070	1,029,930	1,085,890
*** BRSI	1,069,830	623,820	9,093,290
*** Intergrated Youth & Play Service	5,069,790	4,857,900	3,886,920
*** Access to Learning	725,560	741,780	407,000
*** Complex Needs	8,053,970	8,020,130	8,937,200
**** Safeguarding, Prevention & Partnership	16,760,090	16,131,870	25,457,350
*** Policy, Performance & Planning Management	22,790	15,000	17,730
*** Children's Service Finance	573,420	315,010	257,310
*** Performance, Communications, Strategy & Planning	901,330	992,080	918,720
*** Schools Catering	(99,200)	(127,530)	(208,330)
*** Workforce Development	1,072,990	990,240	989,240
**** Policy Performance & Planning	2,471,330	2,184,800	1,974,670
**** Total Children's Service General Fund	48,944,090	47,581,310	57,576,970

CHILDREN'S SERVICE

Children's Service - Schools Budget

Profit center	2010/11 Original Estimate	2010/11 Current Estimate	2011/12 Original Estimate
*** Children's Service Management Team DSG	171,580	171,580	171,580
**** Children's Service Management DSG	171,580	171,580	171,580
*** Children in Care DSG	392,750	395,900	395,900
**** Children's Social Care DSG	392,750	395,900	395,900
*** Schools & Learning Management DSG	84,920	84,780	273,830
*** 14 - 19 Education	0	0	64,000
*** Admissions DSG	436,590	485,190	436,590
*** Schools & Early Years DSG	406,450	406,450	406,450
*** Schools Forum DSG	34,680	34,680	34,680
*** Short Stay Schools DSG	1,513,650	1,513,650	1,513,650
**** Schools & Learning DSG	2,476,290	2,524,750	2,729,200
*** Building Resilience & Supporting Independence DSG	609,390	313,040	893,040
*** Access to Learning DSG	568,940	568,900	685,900
*** Complex Needs DSG	14,186,200	11,874,560	11,677,380
**** Partnerships & Safeguarding DSG	15,364,530	12,756,500	13,256,320
*** Children's Service Finance DSG	6,163,740	7,383,120	6,771,740
*** Performance, Communications, Strategy & Planning DSG	223,680	223,960	223,960
**** Policy Performance & Planning DSG	6,387,420	7,607,080	6,995,700
**** Schools Funding DSG	188,501,050	190,682,210	225,240,440
**** Dedicated Schools Grant DSG	(213,416,730)	(214,280,360)	(248,955,910)
**** Total Schools Budget	(123,110)	(142,340)	(166,770)
***** Total Children's Service	48,820,980	47,438,970	57,410,200
Government Grant Income	12,798,000	12,798,000	
***** Total Children's Service	61,618,980	60,236,970	57,410,200

Notes:

“Dedicated Schools Grant” is a grant paid to a local education authority by the Secretary of State under section 14 of the 2002 Act. The Grant will be paid as a ring-fenced specific grant and must be used in support of the Schools Budget as defined in the

The amounts per pupil underpinning the overall grant allocation are set by the government each year in advance but the pupil numbers are estimated as at January. The Actual grant will be notified in June, based on the actual Pupil Level Annual School Cens

The School Library Service is also funded from the Schools Budget and this is incorporated in the Resources budget (£42,750 2011-12) along with additional insurance budget and central support costs which are held within central expenses and Resources (£12

The DSG will be reduced for the three schools that converted to academy status during 2010-11 and further reductions will be made during the year for schools that convert in 2011-12.

CHILDREN'S SERVICE

Children's Service - General Fund Subjective Analysis

Subjective Analysis	2010/11 Original Estimate	2010/11 Original Estimate	2011/12 Original Estimate
Expenditure			
Employee Related	35,624,630	35,943,290	31,176,550
Premises Related	645,230	726,200	655,880
Transport Related	4,251,440	4,281,890	3,904,340
Supplies and Services	18,090,080	13,802,620	12,342,740
Third Party Payments	15,568,600	18,001,180	17,544,360
Transfer Payments	782,880	1,726,970	4,247,080
Capital Depreciation Charges	250,000	250,000	0
Capital Financing Cost	0	(51,170)	0
Secondary Recharges	334,210	303,190	303,190
Total Expenditure	75,547,070	74,984,170	70,174,140
Income			
Government Grants	(2,380,340)	(2,724,860)	(819,350)
Other Grants, Reimbursements and Contributions	(1,216,850)	(1,453,210)	(1,059,220)
Customer and Client Receipts	(10,207,790)	(10,426,800)	(10,718,600)
Total Income	(13,804,980)	(14,604,870)	(12,597,170)
Net Expenditure	61,742,090	60,379,300	57,576,970

Children's Service - Schools Budget Subjective Analysis

Subjective Analysis	2010/11 Original Estimate	2010/11 Original Estimate	2011/12 Original Estimate
Expenditure			
Employee Related	6,724,960	6,744,340	6,953,060
Premises Related	39,750	41,300	39,800
Transport Related	459,680	477,230	477,580
Supplies and Services	12,169,760	12,526,290	745,380
Third Party Payments	17,711,730	18,895,050	18,446,880
Transfer Payments	24,357,620	28,501,700	1,134,610
Transfer Payments DSG	213,808,610	214,462,590	248,278,190
Capital Financing Cost	0	(781,000)	0
Total Expenditure	275,272,110	280,867,500	276,075,500
Income			
Government Grants	(273,675,730)	(279,285,340)	(274,517,780)
Other Grants, Reimbursements and Contributions	(1,685,570)	(1,690,570)	(1,690,570)
Customer and Client Receipts	(33,920)	(33,920)	(33,920)
Total Income	(275,395,220)	(281,009,830)	(276,242,270)
Net Expenditure	(123,110)	(142,330)	(166,770)
***** Total Children's Service	61,618,980	60,236,970	57,410,200

2011/12 Budget Summary and Forward Plan

Commercial Services	2011/12	2012/13	2013/14
	£	£	£
Base Budget	15,628,020	14,633,180	12,550,180
Virements	(216,840)		
	15,411,180	14,633,180	12,550,180
<u>Efficiencies</u>			
	(1,087,000)	(1,557,000)	(520,000)
<u>Income</u>			
	(191,000)	(526,000)	(212,000)
<u>Service Reductions</u>			
	0	0	0
<u>Pressures</u>			
	500,000	0	0
Budget	14,633,180	12,550,180	11,818,180

Commercial Directorate

Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
***** Commercial Management Team	0	530,000	0
***** Commercial Assurance	494,930	413,220	413,220
***** Information Systems	7,094,130	6,916,150	7,059,250
***** Corporate Programmes	92,030	85,880	85,880
***** Asset Management	470,780	462,250	279,250
***** Property Services	(593,780)	(628,020)	(1,078,020)
**** Facilities Management	768,960	720,480	670,480
***** Document Production & Management	67,130	111,440	86,440
**** Public Offices - NLBP	5,773,490	5,929,470	5,857,670
**** East Area	1,325,430	1,341,310	1,200,310
**** West Area	134,920	58,700	58,700
***** Commercial Directorate	15,628,020	15,940,880	14,633,180

Subjective Analysis	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	6,357,860	6,739,990	5,978,090
* Premises Related	7,920,470	8,670,490	8,618,490
* Transport Related	63,130	76,590	44,590
* Supplies and Services	6,316,000	6,377,120	6,506,320
* Third Party Payments	0	0	0
* Capital Charges	0	0	0
* Capital Financing Costs	586,810	0	0
* Secondary Recharges	(2,091,900)	(2,088,380)	(2,088,380)
** Expenditure Total	19,152,370	19,775,810	19,059,110
* Government Grants	0	0	0
* Customer & Client Receipts	(3,524,340)	(3,834,920)	(4,425,920)
* Recharges	(10)	(10)	(10)
** Income Total	(3,524,350)	(3,834,930)	(4,425,930)
*** Total	15,628,020	15,940,880	14,633,180

2011/12 Budget Summary and Forward Plan

Corporate Governance	2011/12	2012/13	2013/14
	£	£	£
Base Budget	5,951,330	5,938,680	5,778,680
Virements	513,350		
	6,464,680	5,938,680	5,778,680
<u>Efficiencies</u>			
	(676,000)	(160,000)	(189,000)
<u>Income</u>			
	0	0	0
<u>Service Reductions</u>			
	0	0	0
<u>Pressures</u>	150,000		
	150,000	0	0
Budget	5,938,680	5,778,680	5,589,680

Corporate Governance Directorate			
Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
***** Leader's Office	10,190	10,190	10,190
***** Performance and OD Team	254,700	310,890	180,090
***** Legal Services	1,847,900	1,831,200	1,850,200
***** Democratic Srvices	2,527,950	2,519,780	2,294,780
***** Operational Governance	927,580	898,000	1,332,510
***** Corporate Governance Directors	316,590	313,630	278,630
11000 Insurance	66,420	14,450	(7,720)
***** Corporate Governance Directorate	5,951,330	5,898,140	5,938,680

Subjective Analysis	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	6,300,040	6,411,870	5,802,120
* Premises Related	10,200	10,200	10,200
* Transport Related	13,460	12,150	10,650
* Supplies and Services	1,202,920	1,118,530	1,149,730
* Third Party Payments	250	250	250
* Capital Charges	0	0	0
* Capital Financing Costs	0	0	0
* Secondary Recharges	(313,120)	(375,650)	(375,650)
** Expenditure Total	7,213,750	7,177,350	6,597,300
* Government Grants	(603,800)	(620,590)	0
* Other Grants, Reimbursements & Contribs	(31,190)	(31,190)	(31,190)
* Customer & Client Receipts	(607,770)	(607,770)	(607,770)
* Recharges	(19,660)	(19,660)	(19,660)
** Income Total	(1,262,420)	(1,279,210)	(658,620)
*** Total	5,951,330	5,898,140	5,938,680

2011/12 Budget Summary and Forward Plan

	2011/12	2012/13	2013/14
Deputy Chief Executives			
	£	£	£
Base Budget	14,399,380	13,295,270	12,485,270
Virements	43,890		
	14,443,270	13,295,270	12,485,270
<u>Efficiencies</u>			
	(442,000)	(697,000)	(295,000)
<u>Income</u>			
	(337,000)	0	0
<u>Service Reductions</u>			
	(369,000)	(113,000)	300,000
<u>Pressures</u>			
	0	0	0
Budget	13,295,270	12,485,270	12,490,270

Deputy Chief Executive

Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
Finance Directorate	3,746,410	4,416,425	3,917,430
Human Resources	2,173,200	2,269,060	2,091,130
Revenues	8,479,770	8,284,580	7,286,710
Deputy Chief Executive	14,399,380	14,970,065	13,295,270

Subjective Analysis	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	15,915,192	17,074,597	15,927,772
* Premises Related	5,980	5,980	5,980
* Transport Related	83,030	85,680	85,660
* Supplies and Services	1,034,590	526,830	319,700
* Transfer Payments	212,500,000	212,200,000	212,500,000
* Capital Charges	0	0	0
* Capital Financing Costs	0	0	0
* Secondary Recharges	(504,670)	(323,690)	(323,690)
** Expenditure Total	229,034,122	229,569,397	228,515,422
* Government Grants	(210,903,130)	(210,903,130)	(211,523,950)
* Other Grants, Reimbursements & Contribs	(1,517,890)	(1,517,890)	(1,517,890)
* Customer & Client Receipts	(2,213,722)	(2,178,312)	(2,178,312)
* Interest	0	0	0
** Income Total	(214,634,742)	(214,599,332)	(215,220,152)
*** Total	14,399,380	14,970,065	13,295,270

2011/12 Budget Summary and Forward Plan

Environment & Operations	2011/12	2012/13	2013/14
	£	£	£
Base Budget	30,677,230	24,038,410	21,986,410
Virements	(906,820)		
	29,770,410	24,038,410	21,986,410
<u>Efficiencies</u>			
	(2,054,000)	(242,000)	(37,000)
<u>Income</u>			
	(145,000)	(36,000)	(7,000)
<u>Service Reductions</u>			
	(2,622,000)	(1,307,000)	(439,000)
<u>Service Review</u>			
	(911,000)	(467,000)	0
<u>Pressures</u>			
	0	0	0
Budget	24,038,410	21,986,410	21,503,410

Environment & Operations

Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
10617 HD-Mngmnt & Perform	(130,630)	(131,860)	(131,860)
11200 E & T Directors	764,848	844,588	(120,412)
11209 Strategic Costs	359,260	342,810	324,930
*** Management & Administration	993,478	1,055,538	72,658
10618 Highways Other	(783,724)	(877,334)	(993,083)
*** Highways	(783,724)	(877,334)	(993,083)
10619 Drainage (Gully Cleansing)	580,330	578,970	542,210
10622 Traffic Census	(18,130)	0	0
10623 Safer Routes	88,930	83,870	(115,980)
10624 School Crossing Patrol	130,732	130,422	130,422
10625 Technical Survey	25,370	25,370	25,370
10628 Public Conveniences	44,890	44,830	44,830
10635 Road Structural Planned	351,370	345,880	371,882
10638 Traffic Management	(3,770)	(3,800)	(3,800)
10890 Road Structural Responsive	2,438,270	2,430,340	845,488
11218 Development & Control	327,600	323,260	268,430
*** Highways Implementation	3,965,592	3,959,142	2,108,852
10631 N.R.S.W.A.	(91,930)	(96,150)	(282,272)
10632 Private Works Reinstatement	111,410	106,720	27,710
10633 Rechargeable works - other	(123,480)	(125,250)	(125,250)
11097 Rech work cross over	(152,740)	(153,970)	(181,210)
*** Highways Inspection & Enforcement	(256,740)	(268,650)	(561,022)
10637 Street Lighting	5,350,510	5,307,360	5,279,301
11208 Street Lighting Other	0	40,400	40,400
*** Street Lighting	5,350,510	5,347,760	5,319,701
10664 HM-Responsive	(11,030)	(18,340)	(46,790)
10938 HM-Winter Maintenance	368,760	367,700	335,300
10939 HM-Stand-by	0	(550)	(550)
10941 HM-Sign Erection	(2,180)	(4,630)	(4,630)
*** Highways Maintenance	355,550	344,180	283,330
10644 Car Parks off Street	(592,050)	(773,190)	(898,190)
10648 Parking Design	(67,180)	(99,490)	(265,570)
11270 Abandoned Vehicles	0	0	0
*** Car Parks	(659,230)	(872,680)	(1,163,760)
**** Highways	7,971,958	7,632,418	4,994,018
10021 Safer Communities Unit	104,840	99,040	100,260
10581 Drug Intervention Programme	0	0	0
10583 Drug And Alcohol Team	107,790	82,040	83,290
10996 SSCF	264,110	220,370	204,370
*** Community Safety	476,740	401,450	387,920
10651 CCTV	888,830	876,130	812,210
10653 Priority Intervention Team	423,100	415,870	365,490
10674 Trading Stds & Licng	(27,550)	(40,280)	(33,180)
11120 CPG Technical Support	79,010	78,270	78,270
*** Community Protection	1,363,390	1,329,990	1,222,790
10770 ES-Transport MaH Drivers	0	0	0
10771 ES-Transport Oheads	237,040	175,200	94,580
10772 ES-Vehmtce	(112,090)	(117,320)	(1,000)
10773 ES-Spot Hires	(21,300)	(21,300)	0
10774 ES-Leases & SC Rech	138,560	138,560	33,950
10775 ES-SEN Transp	(87,170)	(88,450)	(103,450)
10776 ES-Comctran	(70,970)	(76,380)	(90,380)
*** Transport	84,070	10,310	(66,300)

Environment & Operations

Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
10656 Recycling	4,095,470	3,204,040	2,893,740
10657 Civic Amenities Sites	583,420	583,420	479,420
*** Recycling/Waste Strategy	4,678,890	3,787,460	3,373,160
10365 Weed Spray	728,500	728,500	728,500
10660 Allotments	(4,060)	(4,060)	(18,060)
10764 Parks & Open Spaces	4,174,490	4,036,500	3,615,160
10765 Sports Grounds	77,320	77,300	77,300
10766 Green Belt Lands	(103,050)	(103,050)	(103,050)
10768 King George Playing Fields	0	0	0
10952 Green Spaces Trees Management	658,080	657,950	657,950
11202 Tree Planting	0	0	0
*** Parks & Greenspaces Development	5,531,280	5,393,140	4,957,800
10652 Street Cleansing	4,778,400	4,724,940	4,485,740
10655 Domestic Refuse	4,413,950	5,761,200	5,557,400
*** Refuse & Cleaning	9,192,350	10,486,140	10,043,140
10654 Trade Waste	(1,401,866)	(1,913,876)	(1,999,876)
*** Trade Waste	(1,401,866)	(1,913,876)	(1,999,876)
11031 Copthall Stadium	235,440	346,850	346,850
11032 Fitness For Life	9,970	(220)	(220)
11036 GLL Contract	1,541,530	1,439,470	706,470
*** Leisure	1,786,940	1,786,100	1,053,100
**** Street Scene, Greenspaces, Leisure and Comm. Protection	21,711,794	21,280,714	18,971,734
***** Environment & Operations - General Fund	30,677,230	29,968,670	24,038,410

Environment & Operations

Subjective Analysis (incl. SPA)	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	23,470,474	23,113,131	20,366,398
* Premises Related	2,136,890	2,075,310	2,029,430
* Transport Related	5,336,406	5,260,666	5,075,979
* Supplies and Services	8,676,232	8,368,704	7,569,182
* Third Party Payments	1,924,050	2,070,060	1,337,060
* Capital Charges	5,492,590	4,710,310	6,323,310
* Secondary Recharges	4,032,944	4,781,034	2,903,656
** Expenditure Total	51,069,586	50,379,215	45,605,015
* Government Grants	(394,442)	(380,804)	(380,804)
* Other Grants, Reimbursements & Contribs	(162,560)	(115,757)	(115,757)
* Customer & Client Receipts	(19,734,084)	(19,812,714)	(20,968,774)
* Interest	(101,270)	(101,270)	(101,270)
** Income Total	(20,392,356)	(20,410,545)	(21,566,605)
*** Total	30,677,230	29,968,670	24,038,410

2011/12 Budget Summary and Forward Plan

Special Parking Account	2011/12	2012/13	2013/14
	£	£	£
Base Budget	(5,092,000)	(5,922,720)	(6,161,720)
Virements	782,280		
	(4,309,720)	(5,922,720)	(6,161,720)
<u>Efficiencies</u>			
	(231,000)	(239,000)	(381,000)
<u>Income Generation</u>			
	(2,382,000)	0	0
<u>Service Reductions</u>			
	0	0	0
<u>Pressures</u>			
	1,000,000	0	0
Budget	(5,922,720)	(6,161,720)	(6,542,720)

Revenue Budget 2011-2012

Special Parking Account

	2010-2011		2010-2011		2011-2012	
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Income	£	£	£	£	£	£
Penalty Charge Notices	(4,842,190)	(4,743,150)	(4,842,190)	(4,743,150)	(6,132,500)	(6,132,500)
Permits	(1,338,950)	(1,311,560)	(1,338,950)	(1,311,560)	(2,942,000)	(2,942,000)
Pay & Display	(3,278,230)	(3,211,180)	(3,278,230)	(3,211,180)	(2,416,510)	(2,416,510)
CCTV Bus lanes	(1,779,520)	(1,743,120)	(1,779,520)	(1,743,120)	(900,000)	(900,000)
Total Income	(11,238,890)	(11,009,010)	(11,238,890)	(11,009,010)	(12,391,010)	(12,391,010)
Operating Expenditure	5,746,890	6,299,290	5,746,890	6,299,290	6,068,290	6,068,290
Net Operating Surplus	(5,492,000)	(4,709,720)	(5,492,000)	(4,709,720)	(6,322,720)	(6,322,720)
Add Capital Expenditure / Debt Charge	400,000	400,000	400,000	400,000	400,000	400,000
Net Expenditure in Year	(5,092,000)	(4,309,720)	(5,092,000)	(4,309,720)	(5,922,720)	(5,922,720)
Balance brought forward	0	0	0	0	0	0
Appropriation to General Fund	5,092,000	4,309,720	5,092,000	4,309,720	5,922,720	5,922,720
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 Penalty Charge Notice enforcement, as required by the Road Traffic Act 1991.

Council on 4 November 1997 noted that the provision of further off-street parking places was unnecessary for the time being and that there was no further demand on the ringfenced account in respect of further off-street parking. Accordingly, part of the s

The net projected surplus on the SPA is available for implementation of parking schemes and as a general support for public transport improvement projects that fall within the criteria set out in the Highways Act 1980.

2011/12 Budget Summary and Forward Plan

Planning, Housing & Regeneration	2011/12	2012/13	2013/14
	£	£	£
Base Budget	3,208,260	2,599,820	2,349,820
Virements	(58,440)		
	3,149,820	2,599,820	2,349,820
<u>Efficiencies</u>			
	(695,000)	(250,000)	(230,000)
<u>Income</u>			
	(255,000)	0	0
<u>Service Reductions</u>			
	0	0	0
<u>Pressures</u>			
	400,000	0	0
Budget	2,599,820	2,349,820	2,119,820

Planning, Housing and Regeneration (General Fund)

Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
10390 Land Charges	(932,470)	(934,470)	(960,490)
**** Land Charges	(932,470)	(934,470)	(960,490)
10038 Planning Service	194,160	566,005	671,065
11073 Planning Core Services	(2,120)	0	0
11074 Planning Strategic Services	669,050	592,160	579,960
**** Planning	861,090	1,158,165	1,251,025
10641 Building Inspection	163,610	161,550	161,550
10642 Structures	(75,110)	(77,090)	(77,090)
10643 Building Control	(331,460)	(341,410)	(368,670)
11245 Street Naming and Numbering	0	(35,505)	(35,505)
**** Building Control	(242,960)	(292,455)	(319,715)
10020 Housing & Development	145,620	146,832	129,012
10035 Commty Centre	3,390	3,390	3,390
10987 N London sub reg coo	499,570	498,670	498,670
*** Housing Management	648,580	648,892	631,072
10026 Policy& performance	190,188	180,566	188,128
*** Housing Policy & Performance	190,188	180,566	188,128
10027 Housing Grant Payments	173,820	173,820	173,820
10028 HNR Management Team	4,912	0	0
10029 Housing Advice	240,040	0	0
10030 Temporary Accommodation	(54,450)	(61,298)	(464,350)
10031 Homeless Persons	275,380	0	0
10032 Housing Resources Team	48,050	47,090	47,090
10033 Homelessness Grant	656,580	673,560	673,560
10034 Housing Supporting People	3,920	0	0
10281 Rent Deposit Scheme	0	0	158,900
10883 Private Sector Leasing	(515,440)	(523,000)	(630,860)
10991 Complaints & Sys Imp	63,760	63,540	63,540
10992 Barbara Langstone House	(231,650)	(239,950)	(118,630)
11151 Accommodation and Lettings	271,060	259,670	282,800
11268 Housing Needs	0	491,830	491,830
*** Hsg Resources & Temporary Accommoda	935,982	885,262	677,700
**** Housing General Fund	1,774,750	1,714,720	1,496,900
10763 ES Mgt	555,680	548,620	506,620
*** Environmental Health - Management&Admin	555,680	548,620	506,620
10661 Hendon Cemetery	(494,320)	(496,290)	(496,290)
10671 Mortuary	125,620	124,540	124,540
10818 Hendon Crematorium	(336,540)	(340,390)	(395,390)
10819 Cem&Crem Management	184,260	182,380	182,380
*** Mortuary & Cemetery	(520,980)	(529,760)	(584,760)
10666 Private Sector Housing	402,810	398,220	398,220
10667 Care & Repair	(76,400)	(77,780)	(77,780)
10672 Works in Default	(930)	(930)	(930)
10958 Pest Control	(27,900)	(28,740)	(28,740)
10994 HMO Licensing	40,040	39,510	39,510
11102 Public Health & Nuisance	371,420	343,840	330,900
11180 Empty Properties Enforcement	20	20	20
11222 Decent Homes	0	0	0
*** Environmental Health Private Housing	709,060	674,140	661,200

Planning, Housing and Regeneration (General Fund)

Cost Centre	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
10821 Food Safety	363,680	327,650	360,080
10823 Health and Safety	151,760	176,190	143,760
11179 Scientific Services	113,620	136,110	112,270
*** ES Health & Sustainability	629,060	639,950	616,110
***** Environmental Health	1,372,820	1,332,950	1,199,170
10025 Housing initiatives	117,790	116,590	116,590
10756 Strategic Development Unit	257,240	424,720	387,320
11124 SDU Regeneration Buybacks	0	(370,980)	(570,980)
11162 St Peters's Church Hall	0	0	0
***** Regeneration	375,030	170,330	(67,070)
***** Planning, Housing & Regeneration	3,208,260	3,149,240	2,599,820

Subjective Analysis	Original Estimate 2010/11	Current Estimate 2010/11	Original Estimate 2011/12
* Employee Related	9,644,370	9,580,010	9,286,090
* Premises Related	1,090,280	1,078,180	1,078,180
* Transport Related	186,200	185,400	180,680
* Supplies and Services	2,758,867	2,765,537	2,691,077
* Third Party Payments	7,996,460	7,480,380	4,007,720
* Transfer Payments	0	0	0
* Support Services	0	0	0
* Capital Charges	0	0	0
* Capital Financing Costs	0	0	0
* Secondary Recharges	(793,970)	(793,970)	(793,970)
** Expenditure Total	20,882,207	20,295,537	16,449,777
* Government Grants	(314,000)	(4,000)	(4,000)
* Other Grants, Reimbursements & Contribs	(762,385)	(505,095)	(505,095)
* Customer & Client Receipts	(16,597,562)	(16,637,202)	(13,340,862)
* Interest	0	0	0
** Income Total	(17,673,947)	(17,146,297)	(13,849,957)
*** Total	3,208,260	3,149,240	2,599,820

HOUSING REVENUE ACCOUNT		
	2010/11	2011/12
	Original Budget	Original Budget
	£	£
Income		
Dwelling rents	(45,645,500)	(48,577,504)
Non-dwelling rents	(1,453,000)	(1,408,559)
Tenants Charges for services and facilities	(4,639,000)	(4,110,200)
Leaseholder Charges for Services and Facilities	(2,780,000)	(2,799,681)
Total Income	(54,517,500)	(56,895,944)
Expenditure		
Repairs and Maintenance	8,300,000	8,300,000
Supervision and management		
General	15,387,710	15,137,710
Special	6,589,000	6,589,000
Rents, Rates, taxes and other charges	121,500	121,500
Negative housing revenue account subsidy payable	11,904,750	10,887,097
Depreciation and impairment of fixed assets	7,658,800	9,315,504
Debt Management Costs	3,900,000	4,376,660
Increase in bad debt provision	300,000	350,000
Sums directed by the Secretary of State that are income in accordance with UK GAAP	0	
Total Expenditure	54,161,760	55,077,471
Net Cost of HRA Services	(355,740)	(1,818,473)
Interest and investment income	(80,000)	(40,000)
(Surplus) or deficit for the year on HRA services	(435,740)	(1,858,473)

**CAPITAL PROGRAMME
2010-11 TO 2013-14**

SERVICE	PRIOR YEARS	Programme				2010/11 Funding				2011/12 Funding				Total 2011/12						
		2010-11	2011-12	2012-13	2013-14	Total	Grants	MRA	Other (Incl. S106)	Capital Receipts	Borrowing	Total 2010/11	Grants		MRA	Other (Incl. S106)	Capital Receipts	Borrowing		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	
Adult Social Services	359	627	1,562	400	2,948	£000	£000	627	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	1,562	
Central Expenses	2,341	4,500	1,500	1,500	9,841	4,500	4,500	4,500	4,500	4,500	4,500	4,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Children's Service	99,760	42,512	43,633	24,609	229,223	21,768	1,685	2,240	16,819	16,819	42,512	16,616	3,837	8,212	14,968	43,633	43,633	43,633	43,633	
Corporate Governance	72	1	30	103	103	1	1	1	1	1	1	1	1	1	1	1	1	1	1	30
Commercial	15,209	3,815	7,777	9,309	37,110	3,815	2,097	2,097	1,719	1,719	3,815	2,097	2,097	2,097	2,097	3,815	3,815	3,815	3,815	7,777
Chief Executive Service	4,610	289	1,215	6,094	6,094	289	52	217	269	269	289	217	217	217	217	289	289	289	289	1,215
Deputy Chief Executive Services	85	485	341	911	911	485	485	485	485	485	485	485	485	485	485	485	485	485	485	341
Environment & Operations	27,090	15,802	13,799	2,000	60,691	6,957	2,261	3,828	2,756	2,756	15,802	4,933	237	4,359	4,270	13,799	13,799	13,799	13,799	13,799
Planning, Housing & Regeneration	27,638	8,357	9,397	250	45,642	4,655	804	2,898	8,357	8,357	8,357	750	3,650	3,845	1,152	9,397	9,397	9,397	9,397	9,397
Sub total - General Fund	177,164	76,368	79,254	38,068	392,563	34,007	4,802	16,266	21,294	21,294	76,368	23,757	7,724	25,938	21,835	79,254	79,254	79,254	79,254	79,254
Housing Revenue Account	159,145	18,261	21,421	10,555	219,933	1,474	6,333	50	10,404	10,404	18,261	5,800	3,059	102		21,421	21,421	21,421	21,421	21,421
Total - all services	336,309	94,629	100,675	48,623	612,495	35,481	4,852	16,266	31,698	31,698	94,629	29,557	10,783	26,040	21,835	100,675	100,675	100,675	100,675	100,675

**CAPITAL PROGRAMME
2010-11 TO 2013-14**

SERVICE	2012/13 Funding					2013/14 Funding					Total Funding					Total 2010/11- 2013/14	Prior years	Total
	Grants	MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2012/13	Grants	MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2013/14	Grants	MRA	Other (incl. S106)			
Adult Social Services	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Central Expenses	400			1,500		1,500	2,485		104		7,500				104		359	2,948
Children's Service	13,577		4,500	5,500	1,032	24,609	65,538	4,500	632		18,709	16,584			129,463		99,760	229,223
Corporate Governance															31		72	103
Commercial				9,084	225	9,309			1,000		1,000				21,901		15,209	37,110
Chief Executive Service															1,484		4,610	6,094
Deputy Chief Executive Services															826		85	911
Environment & Operations				2,000		2,000	11,890		2,000		2,000				33,601		27,090	60,691
Planning, Housing & Regeneration					250	250	5,405								18,004		27,638	45,642
Sub total - General Fund	13,977		4,500	18,084	1,507	38,068	85,318		3,632		21,709	63,919			215,399		177,164	392,562
Housing Revenue Account	50	8,975	1,531			10,555	7,374	9,020	1,481		10,551	36,788	6,121	102	60,788		159,145	219,933
Total - all services	14,027	8,975	6,031	18,084	1,507	48,623	92,692	9,020	3,632		32,260	64,021	27,647		276,187		336,309	612,495

TOTAL CAPITAL FUNDING

CAPITAL PROGRAMME 2010-11 TO 2013-14

Adult Social Services	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	2010-11 - 2013-14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
AS04	349	16					365	16				16	349	365
AS99														0
		592	740				1,332	1,332				1,332	0	1,332
	10	19					29	19				19	10	29
			72				72	72				72	0	72
			646	400			1,046	1,046				1,046	0	1,046
IT04			104				104			104		104	0	104
	359	627	1,562	400			2,948	2,485		104		2,589	359	2,948

TOTAL CAPITAL FUNDING

CAPITAL PROGRAMME 2010-11 TO 2013-14

Central Expenses	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	2010/11-2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CE01 Capitalised Redundancies	2,341	4,500	1,500	1,500			9,841			7,500		7,500	2,341	9,841
	2,341	4,500	1,500	1,500			9,841			7,500		7,500	2,341	9,841

CAPITAL PROGRAMME 2010-11 TO 2013-14

TOTAL CAPITAL FUNDING

Children's Service	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	2010/11-2013/14	Prior years funding	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
ED01 Schools Access Initiatives	509	489					998				489	489	509	998
ED05 LEA Liability at VA Schools re major capital schemes														0
ED12 Modernisation - all schools need														0
Modernisation Programme prior Yrs	7,152	1,759					8,911	532		20	1,207	1,759	7,152	8,911
Modernisation Programme 2010/11		2,180	35				2,215	685	161		1,369	2,215		2,215
Modernisation Prim & Sec			4,109	4,109	4,109		12,327	12,327				12,327		12,327
ED16 Surestart														0
Phase 2	2,738	50					2,788	50				50	2,738	2,788
Phase 3	288	1,497					1,785	1,497				1,497	288	1,785
ED17 Big Lottery Fund Schemes	463						463						463	463
ED19 Underhill Infants - Childrens Centre	2,711	48	2				2,761				50	50	2,711	2,761
ED21 Hyde School Rebuild & Childrens Centre	10,331	205	50				10,586	4			251	255	10,331	10,586
ED IS for Parents & Providers	24	2					26	2				2	24	26
ED62 Early Years - Quality & Access	627	1,463					2,090	1,463				1,463	627	2,090
ED63 Extended Schools	600	333					933	333				333	600	933
ED Targeted Capital 14-19 SEN		1,927	400				2,327	392		1,720	215	2,327		2,327
							0							0

CAPITAL PROGRAMME 2010-11 TO 2013-14

TOTAL CAPITAL FUNDING

Children's Service	PRIOR YEARS		2010-11		2011-12		2012-13		2013-14		Future years		Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	2010/11-2013/14		Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000						£000	£000		
ED22 Parkfield School	10,389	150											10,539				150	150	10,389	10,539	
ED Woodhouse School	349												349						349	349	
ED23 Primary Schools Capital Investment Programme	27,397	9,662	7,948										45,007	536	760	1,000	15,314	17,610	27,397	45,007	
ED25 East Barnet - Rebuild	27,644	5,878	1,100										34,622	728		1,500	4,750	6,978	27,644	34,622	
ED26 Youth Capital Funding	319	132											451	86		46		132	319	451	
ED27 Primary Capital Programme	6,147	12,490	4,795										23,432	12,387	3,740		1,158	17,285	6,147	23,432	
ED67 Exceptional capital funding for cooking space	90	855											945	855				855	90	945	
ED68 Aiming High for Disabled Children	60	444											504	444				444	60	504	
ED99 Outstanding commitments on completed schemes	237	118											355			118		118	237	355	
TCF - Kitchen & Dining	24	1,787											1,811	1,252	511		24	1,787	24	1,811	
Building Schools for the Future	207												207						207	207	
Co-location	33												33						33	33	
Emergency Works	69												69						69	69	

CAPITAL PROGRAMME 2010-11 TO 2013-14

TOTAL CAPITAL FUNDING

Children's Service	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	2010/11-2013/14	Prior Years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
ED69	592		374				966	374				374	592	966
Youth Equipment and Development Fund (formerly Fairplay Playbuilders - From E&O)														
Urgent Primary Places Perm.	712	580	18,620	10,000	5,500		34,700	18,240		9,310	7,150	34,700		34,700
Urgent Primary Places Temp		463	3,200	3,000	1,600		8,975	4,351	350	2,870	692	8,263	712	8,975
General Schools Organisations			3,000	3,000	3,000		9,000	9,000				9,000	0	9,000
Mill Hill East - Primary				4,500	4,500		9,000		9,000			9,000	0	9,000
Integrated Childrens System	48						48						48	48
	99,760	42,512	43,633	24,609	18,709		229,223	65,538	14,522	16,584	32,819	129,463	99,760	229,223
SCHEMES IMPLEMENTED BY SCHOOLS														
Pupil Referral Unit - DFC														0
New Deals for Schools Devolved Formula	10,797	3,172						3,172				3,172	10,797	13,969
DFC - including Pupil referral Unit			1,059					1,059				1,059		1,059
Harnessing Technology Grant	1,800	913						875	38			913	1,800	2,713
Locally Controlled Voluntarily Aided Programme: (LCVAP)	5,689	1,461	2,399	2,399	2,399		14,347	8,658				8,658	5,689	14,347
Specialist Schools (Capital Grant)	400						400						400	400
	118,446	48,058	47,091	27,008	21,108		261,711	79,302	14,560	16,584	32,819	143,265	118,446	261,711

CAPITAL PROGRAMME 2010-11 TO 2012-13

TOTAL CAPITAL FUNDING

Corporate Governance	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
LP04 Emergency Response Command Centre	72	1	30				103			31		31	72	103
	72	1	30				103			31		31	72	103

CAPITAL PROGRAMME 2010-11 TO 2012-13

TOTAL CAPITAL FUNDING

Commercial	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HD42 Arts Depot Lift	13	2	80				95			82		82	13	95
HE01 North London Business Park - planning reception area	61	39					99				39	39	61	99
HE08 Energy Efficiency Measures	314	160					474			160		160	314	474
HE09 Accommodation Strategy														
Office Consolidation	1,762	929	452				3,143			647	734	1,381	1,762	3,143
HTH Committee room refurb	1,845	151					1,996			151		151	1,845	1,996
HE11 Friary House	182	577					759			59	518	577	182	759
IT04 Electronic Social Care Record (ESCR)	182		283				465			283		283	182	465
Electronic Documents and Records Management System (EDRM)	3,240	720	1,318	225			5,503			2,038	225	2,263	3,240	5,503
IT10 Modernising the Way We Work	5,348	732	391				6,471				1,123	1,123	5,348	6,471
IT12 Business Systems Disaster Recovery	14	160	206				380			366		366	14	380
IT13 Project & Programme Management Software	148	10					158			10		10	148	158
IT14 Shared Service Centre	1,065	50	35				1,150			85		85	1,065	1,150

TOTAL CAPITAL FUNDING

CAPITAL PROGRAMME 2010-11 TO 2012-13

Commercial	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
IT15 SWIFT	476	66	38				580			104		104	476	580
IT16 Education Management Information System	310		44				354			44		44	310	354
Depot Relocation	249	200	3,800	8,084			12,333			12,084		12,084	249	12,333
Air Conditioning Building 4		20	130				150			150		150		150
IS Refresh			1,000	1,000	1,000		3,000			3,000		3,000		3,000
	15,209	3,815	7,777	9,309	1,000		37,110			19,263	2,639	21,901	15,209	37,110

TOTAL CAPITAL FUNDING

CAPITAL PROGRAMME 2010-11 TO 2012-13

Chief Executives	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HD41 Land & Assets Programme	662	23					685			23		23	662	685
Plantech Implementation programme	100	45	42				187			87		87	100	187
GIS														
ED28 Librarians Strategy	1,243	58					1,301		50	8		58	1,243	1,301
Minor works	104	2					106		2			2	104	106
IT09 Customer Relationship Management (CRM)	2,501	81	18				2,600			99		99	2,501	2,600
Customer Services Transformation		60	1,155				1,215			465	750	1,215		1,215
	4,610	269	1,215				6,094		52	682	750	1,484	4,610	6,094

TOTAL CAPITAL FUNDING

CAPITAL PROGRAMME 2010-11 TO 2012-13

	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Deputy Chief Executives														
	85	485	341				911			826		826	85	911
DCE Pericles	85	485	341				911			826		826	85	911

TOTAL CAPITAL FUNDING

CAPITAL PROGRAMME 2010-11 TO 2013-14

Environment & Operations	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
EN02 Recycling - Green Bins	897	156					1,053			156		156	897	1,053
EN12 Closed Circuit Television in Town Centres Radio Communications System	20	62					82			62		62	20	82
EN15 2006-07 Town Centre Programmes: NRF Funding East Finchley/Burnt Oak - CCTV, Development & Delivery	118	22					140			22		22	118	140
EN99 Outstanding Environment services commitments on completed schemes		77					77			77		77		77
EN1 Victoria Park Pavillion Rebuild	24	38					62				38	38	24	62
HD01 Structural Maintenance of Bridges - Previous Years 2010/11 Allocation <i>Programmes funded by Transport For London</i>	199	(8)					191	(8)				(8)	199	191
HD03 Local Safety Schemes - previous years <i>Programmes funded by Transport For London</i>	474	393					867	393				393	474	867
HD04 Carriageway Reconstruction - Principal Roads previous years <i>Programmes funded by Transport For London</i>	2,322	124					2,446	124				124	2,322	2,446

CAPITAL PROGRAMME 2010-11 TO 2013-14

TOTAL CAPITAL FUNDING

Environment & Operations	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HD07/08 Road Traffic Act - Controlled Parking Zones Previous years 2010-11 Programme <i>Programme funded from Special Parking Account/S106</i>	607	528 14	184				1,319 14		(26) 14	738		712 14	607	1,319 14
HD10 Previous years 2010/11 Allocation	127	537 18	23				687 18		384 18		176	560 18	127	687 18
HD11 London Bus Priority Network - Previous years 2009/10 Programme <i>Programme funded by Transport For London</i>	10 337	31					10 368	31				31	10 337	10 368
HD12 Cycling - Previous years <i>Programme funded by Transport For London</i>	125	108					233	108				108	125	233
HD14 Traffic Management <i>Funded by S106 Agreement</i>		9	135				144		144			144		144
HD19 Cartwright Memorial, St Mary's Church	16	5	30				51				35	35	16	51
HD25 Bus Stop Accessibility 2009-10 Allocation <i>Programmes funded by Transport For London</i>	38	16					54	16				16	38	54

CAPITAL PROGRAMME 2010-11 TO 2013-14

TOTAL CAPITAL FUNDING

Environment & Operations	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HD33 Colindale Development Area Reconstruction of the railway bridges	19,091	1,246	740				21,077		252		1,734	1,986	19,091	21,077
A41/Aerodrome Road Junction improvement works		350					350		350			350		350
Controlled Parking Zones		40					40		40			40		40
Aerodrome Road - additional pedestrian facilities		40					40		40			40		40
Colindale Station Interchange		50					50		50			50		50
new scheme to be approved (Public Transportation)		10					10		10			10		10
new scheme to be approved (Public Transportation)		100					100		100			100		100
Colindale CPZ Parking Review Feasibility Study- Colindale Hospital		15					15		15			15		15
CDA- Colindale Hospital		10					10		10			10		10
GAF 3 Funding of Transport Projects	418	262					680	262				262	418	680
HD34 Minor TFL Allocations - Previous years	82						82						82	82
Walking		74					74	74				74		74
Local Choice on Transport Priorities		62					62	62				62		62
<i>Programmes funded by Transport For London</i>														
HD35 Highways Investment - Previous years	243	248	27				518		137		138	275	243	518
2010/11 Allocation		2,298	5				2,303		368	800	1,135	2,303		2,303
<i>Programmes funded by Prudential Borrowing / S106</i>														
HD36 School Travel Plans (STPs) - Previous years	503	69					572	69					503	572
<i>Programmes funded by Transport For London</i>														

CAPITAL PROGRAMME 2010-11 TO 2013-14

TOTAL CAPITAL FUNDING

Environment & Operations	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HD38 Carriageway and Footways - Previous years Capitalisation of planned maintenance	550 (238)	193	1,500				743 1,262	29			164 1,500	193 1,500	550 (238)	743 1,262
HD39 Travel Plan Implementation	33	33					33				33	33		33
HD43 Congestion Reduction Methods <i>Programmes funded by Prudential Borrowing</i>	874	26					900				26	26	874	900
HD44 Local Accessibility Scheme (LAS) Work Programme 2009/10 LAS Programme <i>Programmes funded by Transport For London</i>	37	3					40	3				3	37	40
Local Implementation Plan														
HD45 Road Maintenance		764					764	764				764		764
HD46 Corridors		1,979					1,979	1,979				1,979		1,979
HD47 Neighbourhoods		1,725					1,725	1,725				1,725		1,725
HD48 Smarter Travel		776					776	776				776		776
HD49 Local Transport Funding		100	100				200	200				200		200
Cycling on Greenways		30					30	30				30		30
new Principal Road Maintenance			653				653	653				653		653
new Corridors, Neighbourhoods and Supporting Measures			3,888				3,888	3,888				3,888		3,888
Carriageway and Footway			2,000	2,000	2,000		6,000			4,000	2,000	6,000		6,000
Waste etc			3,000				3,000			3,000		3,000		3,000
Parking			1,000				1,000			1,000		1,000		1,000

TOTAL CAPITAL FUNDING

CAPITAL PROGRAMME 2010-11 TO 2013-14

Environment & Operations	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HD50 Pothole Elimination Programme							693			693		693		693
Phase 1		693					693			693		693		693
Phase 2		1,944					1,944	276	473	1,195		1,944		1,944
HD99 Outstanding Transport commitments on completed schemes		6					6			6		6		6
Improvements to six of the Borough's Parks		72					72		72			72		72
ED69 Fairplay Playbuilders		1					1	1				1		1
Cophall Roof	43	47					90				47	47	43	90
LP05 CCTV Installation	173	263	175				611			438		438	173	611
SD05 Building Safer Communities		54					54	54				54		54
Dollis Valley Greenwalk		84	339				423	376	47			423		423
	27,090	15,802	13,799	2,000	2,000		60,691	11,890	2,498	12,187	7,026	33,601	27,090	60,691

CAPITAL PROGRAMME 2010-11 TO 2012-13

TOTAL CAPITAL FUNDING

Planning, Housing and Regeneration	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HOUSING GENERAL FUND:														
HS01 Housing Association Programme	5,192	691	3,650				9,533		4,341			4,341	5,192	9,533
HS17 GF Regeneration	15,013	1,010	2,347				18,370			3,108	249	3,357	15,013	18,370
HS27 Disabled Facilities Grant - Mandatory	6,794	1,304	1,500				9,598	1,555		1,249		2,804	6,794	9,598
Disabled Facilities Grant - Discretionary	309	119	300				728			419		419	309	728
HS28 Housing Management System		20	314				334			334		334		334
HS29 Greentop Centre							170						170	170
HS30 Open Space Landscaping		113					113		113			113		113
Hostel Refurbishment Programme		620	196				816			816		816		816
EN11 Environmental Officer - capitalisation of salary	160	80	40				280			120		120	160	280
West Hendon Scheme		3,850					3,850	3,850				3,850		3,850
Mill Hill East		550	1,050	250			1,850			697	1,153	1,850		1,850
	27,638	8,357	9,397	250			45,642	5,405	4,454	6,743	1,402	18,004	27,638	45,642

CAPITAL PROGRAMME 2010-11 TO 2013-14

TOTAL CAPITAL FUNDING

Housing Revenue Account	PRIOR YEARS	2010-11	2011-12	2012-13	2013-14	Future years	Total	Grants	MRA	Other (incl. S106)	Capital Receipts	Borrowing	Funding 2010/11 - 2013/14	Prior years funding	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HRA PROGRAMME:															
Cash Incentives - Managed by Barnet Homes	3,207	427	102				3,736				102	427	529	3,207	3,736
Housing Renovation Programme															
Current Programme - Managed by Barnet Homes	37,433	4,100	1,438	700	1,167		44,838		3,601	1,476		2,328	7,405	37,433	44,838
Partnering Packages	18,394	4,100	1,438	700	1,167		25,799		2,965	1,476		2,964	7,405	18,394	25,799
Barnet	44,638	300	1,438	700	1,167		48,243		2,129	1,476			3,605	44,638	48,243
Finchley	8,493	50	73	61	53		8,730		210	27			237	8,493	8,730
Hendon/Edgware															
Sheltered/Hostels															
Renovations / Modernisation		4,044	5,949	4,932	4,302		19,227		17,619	499		1,109	19,227		19,227
Granville Road, Tower Blocks		1,224	7,550	100			8,874	6,974	1,550	350			8,874		8,874
Adaptations	7,141	1,000	1,000	1,000	1,000		11,141		3,000			1,000	4,000	7,141	11,141
Regeneration Estates	4,465	1,550	800	1,000	500		8,315		1,900	450		1,500	3,850	4,465	8,315
Miscellaneous Works	10,870	1,076	1,583	1,312	1,145		15,986		3,674	367		1,076	5,116	10,870	15,986
Extensions and Deconversions	249	390	50	50	50		789	400	140				540	249	789
Transitional Programme	24,255						24,255							24,255	24,255
	159,145	18,261	21,421	10,555	10,551		219,933	7,374	36,788	6,121	102	10,404	60,788	159,145	219,933

**London Borough of Barnet
Treasury Management Strategy Statement
and Investment Strategy 2011/12 to 2013/14**

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Annexes

- A. Current and Projected Portfolio Position
- B. Interest Rate Outlook: The Council's and Arlingclose's
- C. Specified Investments for use by the Council

1. **Background**

- 1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Investment Strategy as required under the CLG's Investment Guidance.
- 1.2. CIPFA has defined Treasury Management as:
"the management of the organisation'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."
- 1.3. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are integral element to treasury management activities and include Credit and Counterparty Risk, Liquidity Risk, Market or Interest Rate Risk, Refinancing Risk and Legal and Regulatory Risk.
- 1.4. The strategy takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Annex A), the Prudential Indicators and the outlook for interest rates (Annex B).
- 1.5. The purpose of this TMSS is to approve:
 - Treasury Management Strategy for 2010-11 (Borrowing and Debt Rescheduling - Section 4, Investments - Section 5)
 - Prudential Indicators – (NB: the Authorised Limit is a statutory limit)
 - MRP Statement – Section 8
 - Use of Specified and Non-Specified Investments – Annex A
- 1.6. All treasury activity will comply with relevant statute, guidance and accounting standards.

2. Balance Sheet and Treasury Position

2.1. The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR)¹, together with Balances and Reserves, are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are:

	31/03/2011 Estimate £000	31/03/2012 Estimate £000	31/03/2013 Estimate £000	31/03/2014 Estimate £000
General Fund CFR	173,427	187,889	181,088	172,709
HRA CFR	97,889	97,889	215,889	215,889
Total CFR	271,316	285,778	396,977	388,598
Less: Existing Profile of Borrowing and Other Long Term Liabilities	-220,656	-219,402	-219,171	-218,909
Cumulative Maximum Additional External Borrowing Requirement	50,660	66,376	177,806	169,689
Balances & Reserves	-69,984	-69,097	-69,247	-68,317
Cumulative Net Borrowing Requirement/(Investments)	-19,324	-2,721	108,559	101,372

2.2. The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at **Annex A**. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position. The Council will ensure that net physical external borrowing² (i.e. net of investments) will not exceed the CFR other than for short term cash flow requirements.

Estimates of Capital Expenditure:

2.3. It is a requirement of the Prudential Code to ensure that capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2010/11 Approved £000	2010/11 Revised £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Non-HRA	89,141	76,368	79,254	38,068	21,709
HRA	24,373	18,261	21,421	128,855	10,551
Total	113,514	94,629	100,675	166,923	32,260

¹ The Capital Financing Requirement measures the Council's underlying need to borrow for capital purposes.

² This is a key indicator of prudence and should not exceed the Capital Financing Requirement. As the CFR represents the level of borrowing for capital purposes, and revenue expenditure cannot be financed from borrowing, net physical external borrowing, should not exceed the CFR other than for short term cash flow requirements.

2.4. Capital expenditure is expected to be financed as follows ³:

Capital Financing	2010/11 Approved £m	2010/11 Revised £m	2011/12 Estimate £m	2012/13 Estimate £m	2013/14 Estimate £m
Capital receipts	3,965	16,266	26,040	18,084	3,632
Government Grants	44,430	41,814	42,017	23,001	22,647
Major Repairs Allowance					
Revenue contributions	14,119	4,852	10,783	6,031	5,981
Total Financing	62,514	62,932	78,840	47,116	32,260
Supported borrowing					
Unsupported borrowing	51,000	31,698	21,835	119,507	0
Total Funding	51,000	31,698	21,835	119,507	0
Total Financing and Funding	113,514	94,630	100,675	166,623	32,260

Incremental Impact of Capital Investment Decisions

2.5. As an indicator of affordability the table below shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2010/11 Approved £	2011/12 Estimate £	2012/13 Estimate £	2013/14 Estimate £
Increase in Band D Council Tax	14.37	6.53	0.45	0
Increase in Average Weekly Housing Rents	0	0	0	0

Reform to the Council Housing Subsidy System

2.6. CLG consulted on proposals to reform the council housing subsidy system in July 2010. The consultation has resulted in the removal of the subsidy system by offering a one-off reallocation of debt. **The new system will commence on 1 April 2012 and will require the Council to fund the £118 million in the medium term through external borrowing.** The Council has the option of borrowing from the PWLB or the market. The type of loans taken will be decided on in discussions with the Housing department and the councils' Treasury Advisors.

Financing costs

2.7. The estimate for interest payments in 2011/12 is £8.65m and for interest receipts is £1.09m. The ratio of financing costs to the Council's net revenue stream⁴ is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the

³ The element to be financed from borrowing impacts on the movement in the Capital Financing Requirement. An increase in the CFR in turn produces an increased requirement to charge MRP in the Revenue Account.

⁴ The Capital Financing Requirement measures the Council's underlying need to borrow for capital purposes.

proportion of the revenue budget required to meet borrowing costs. The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2010/11 Approved %	2010/11 Revised %	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %
Non-HRA	3.73	4.05	4.14	3.99	3.94
HRA	9.72	5.62	4.85	19.85	20.02

3. **Borrowing and Rescheduling Strategy**

3.1. The Council's balance of actual gross borrowing plus other long-term liabilities is shown in Annex A. This is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit. Please note the both the Operational Boundary and Authorised Limit calculations include the additional HRA borrowing of £118 million.

3.2. The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2010/11 Approved £000	2010/11 Revised £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Borrowing	324,694	407,144	430,662	424,009	326,196
Other Long-term Liabilities	33,156	30,859	33,156	32,902	32,671
Total	357,851	438,003	463,818	456,911	358,867

3.3. The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Operational Boundary for External Debt	2010/11 Approved £000	2010/11 Revised £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Borrowing	324,695	407,144	430,662	424,009	326,196
Other Long-term Liabilities	18,156	15,859	18,156	17,902	17,671
Total	342,851	423,003	448,818	441,911	343,867

- 3.4. The Deputy Chief Executive has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet Resources Committee
- 3.5. In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the following borrowing options⁵:
- PWLB loans
 - Borrowing from other local authorities
 - Borrowing from institutions such as the European Investment Bank and directly from Commercial Banks
 - Borrowing from the Money Markets
 - Local authority stock issues
 - Structured finance
- 3.6. Notwithstanding the issuance of Circular 147 on 20th October following the CSR announcement which increases the cost of new local authority fixed rate loans to 1% above the cost of the Government's borrowing, the PWLB remains an attractive source of borrowing, given the transparency and control that its facilities continue to provide. The types of PWLB borrowing that are considered appropriate for a low interest rate environment are:
- Variable rate borrowing
 - Medium-term year Equal Instalments of Principal (EIP) or Annuity Loans
 - Long-term Maturity loans, where affordable

Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term and maintaining stability. The differential between debt costs and investment earnings, despite long term borrowing rates being at low levels, remains acute and this is expected to remain a feature during 2011/12. The "cost of carry" associated with medium- and long-term borrowing compared to temporary investment returns means that new fixed rate borrowing could entail additional short-term costs. The use of internal resources in lieu of borrowing may again, in 2011/12, be the most cost effective means of financing capital expenditure.

- 3.7. PWLB variable rates are expected to remain low as the Bank Rate is maintained at historically low levels for an extended period. Exposure to variable interest rates will be kept under regular review. Each time the spread between long-term rates and variable rates narrows by 0.50%, this will trigger a formal review point and options will be considered in conjunction with the Authority's Treasury Advisor and decisions taken on

⁵ These sources of borrowing should also then be included in the Treasury Management Practices.

whether to retain the same exposure or change from variable to fixed rate debt.

3.8. The Council has £62.5m loans which are LOBO loans (Lender's Options Borrower's Option) of which £7.5m of loans are currently in or will be in their call period in 2011/12. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB. The default response will however be early repayment without penalty.

3.9 The Council is not expected to borrow in advance of need in 2011/12.

3.10 The rationale for rescheduling would be one or more of the following:

- Savings in interest costs with minimal risk
- Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
- Amending the profile of maturing debt to reduce any inherent refinancing risks.

As opportunities arise, they will be identified by Arlingclose and discussed with the Council's officers.

3.11 Borrowing and rescheduling activity will be reported to the Cabinet Resources Committee.

3.12 The following Prudential Indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

The Council's existing level of fixed interest rate exposure is 100% and variable rate exposure is 0%.

	2010/11 Approved %	2010/11 Revised %	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	30%	30%	30%	30%	30%

- 3.13. The Council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.

Maturity structure of fixed rate borrowing	Existing level (or Benchmark level) at 31/03/10 %	Lower Limit for 2011/12 %	Upper Limit for 2011/12 %
under 12 months	0.4	0	50
12 months and within 24 months	0	0	50
24 months and within 5 years	1.92	0	75
5 years and within 10 years	0	0	75
10 years and within 20 years	14.3	0	100
20 years and within 30 years	21.2	0	100
30 years and within 40 years	21.08	0	100
40 years and within 50 years	13.25	0	100
50 years and above	27.85	0	100

4. **Investment Policy and Strategy**

- 4.1. Guidance from CLG on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.
- 4.2. The Council's investment priorities are:
- Security of the invested capital;
 - Liquidity of the invested capital;
 - An optimum yield which is commensurate with security and liquidity.
- 4.3. Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Potential instruments for the Council's use within its investment strategy are contained in Appendix C. The Chief Finance Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the Cabinet Resources Committee.
- 4.4. Changes to investment strategy for 2011/12 include:
- AAA-rate Variable Net Asset Value (VNAV) Money Market Funds
 - T-Bills
 - Term deposits in Sweden
 - Maximum duration for new deposits 2 years
- 4.5. The management of risks, including the risk of loss of the borrowed capital are identical to all forms of investment as set out in this strategy. The risk associated with interest rate changes are based on the Interest Rate forecast at Annex C and the current "cost of carry".

- 4.6. The Council's current level of investments is presented at Annex A.
- 4.7. The Council's in-house investments are made with reference to the outlook for the UK Bank Rate and money market rates.
- 4.8. In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office or UK Treasury Bills. (The rates of interest from the DMADF are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council's capital is secure.)
- 4.9. The Council selects countries and the institutions within them, for the counterparty list after analysis and careful monitoring of:
- Credit Ratings (minimum long-term A+ for counterparties; AA+ for countries)
 - Credit Default Swaps (where quoted)
 - GDP; Net Debt as a Percentage of GDP
 - Sovereign Support Mechanisms/potential support from a well-resourced parent institution
 - Share Prices
 - Macro-economic indicators
 - Corporate developments, news and articles, market sentiment.
- 4.10. The Council and its Treasury Advisors, Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.
- 4.11. The UK Bank Rate has been maintained at 0.5% since March 2009, and is anticipated to remain at low levels throughout 2011/12. Short-term money market rates are likely to remain at very low levels for an extended period which will have a significant impact on investment income.
- 4.12. The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days ⁶	2010/11 Approved £m	2010/11 Revised £m	2011/12 Estimate £m	2012/13 Estimate £m	2013/14 Estimate £m
	0	0	0	0	0

5. Outlook for Interest Rates

- 5.1 The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is attached at Annex B. The Council will

⁶ Please make allowance within this Indicator for amounts invested for 1 year, i.e 365/366 days.

reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

6. **Balanced Budget Requirement**

6.1. The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

7. **2011/12 MRP Statement**⁷

7.1. 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.

7.2. The four MRP options available are:

Option 1: Regulatory Method

Option 2: CFR Method

Option 3: Asset Life Method

Option 4: Depreciation Method

NB This does not preclude other prudent methods.

7.3. MRP in 2011/12: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

7.4. The MRP Statement will be submitted to Council before the start of the 2011/12 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.

7.5. 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.

8. **Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**

Treasury activity is monitored and reported internally to Deputy Chief Executive. The Prudential Indicators will be monitored through the year and reported as under:

⁷ The Annual MRP Statement is subject to Council approval and may therefore be reported separately to Council instead of being incorporated into the TMSS.

The Deputy Chief Executive will report to the Cabinet Resources Committee on treasury management activity / performance and Performance Indicators as follows:

- (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 end.
- (c) The Budget Performance Overview and Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.

9. **Other Items**

Training

CIPFA's Code of Practice requires the Deputy Chief Executive to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Investment Consultants

The CLG's Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
- How the quality of any such service is controlled.

Following a tender process, the Council appointed Arlingclose as their Treasury Investment Consultants from effect 1 August 2010. Arlingclose provide advice, information and assistance with investments, borrowing, debt restructure, market conditions and compliance with legislation. The services provided by Arlingclose are reviewed on an informal basis during quarterly meetings with officers.

ANNEX A

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31 Mar 11 Estimate £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m	31 Mar 14 Estimate £m
External Borrowing:						
Fixed Rate – PWLB	147,000		140,000	139,000	139,000	139,000
Fixed Rate – Market	67,500		62,500	62,500	62,500	62,500
Variable Rate – PWLB	-		-	-	-	-
Variable Rate – Market	-		-	-	-	-
Total External Borrowing	214,500		202,500	201,500	201,500	201,500
Existing long-term liabilities	214,500		202,500	201,500	201,500	201,500
IFRS Long Term Liabilities:	15,859		18,156	17,902	17,671	17,409
- PFI						
- Operating Leases						
Total Gross External Debt	230,359		220,656	219,402	219,171	218,909
Investments:						
<i>Managed in-house</i>						
- Short-term monies (Deposits/ monies on call /MMFs)	187,500		137,485	136,313	132,313	132,313
- Long-term investments (<i>maturities over 12 months</i>)						
Total Investments	187,500		137,485	136,313	132,313	132,313
(Net Borrowing Position)/ Net Investment position	-42,859		-83,171	-83,089	-86,858	-86,596

Arlingclose's Economic and Interest Rate Forecast

	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
Official Bank Rate											
Upside risk	-	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.75	1.00	1.25	1.50	2.00	2.50	2.75	2.75
Downside risk	-	-	-	- 0.25	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50
1-yr LIBID											
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.50	3.50
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50
5-yr gilt											
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.00	2.25	2.75	3.25	3.50	3.75	4.00	4.00	4.00	4.00	4.00
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25
10-yr gilt											
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Central case	3.50	3.75	3.75	4.00	4.25	4.50	4.75	4.75	4.75	4.75	4.75
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25
20-yr gilt											
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
Central case	4.25	4.50	4.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25
50-yr gilt											
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	4.25	4.25	4.50	4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.50
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25

- The recovery in growth is likely to be slow, uneven and more “Square root” than “V” shaped.
- The initial reaction to the CSR is positive but implementation risks remain.
- The path of base rates reflects the fragility of the recovery and the significantly greater fiscal tightening of the emergency budget. With growth and underlying inflation likely to remain subdued, the Bank will stick to its lower for longer stance on policy rates.
- Gilts will remain volatile as the growth versus headline inflation debate escalates

Underlying assumptions:

- The framework and target announced in the Comprehensive Spending Review to reduce the budget deficit and government debt are the same as announced in June and focuses on how the cuts are to be distributed. The next big fiscal milestone will be the Office Of Budget Responsibility's assessment of the CSR's implications for growth, employment and inflation.
- The minutes of the Monetary Policy Committee's meeting suggest an increased likelihood of further Quantitative Easing. Money supply is weak and growth prospects remain subdued. The analysis and projections in November's Quarterly Inflation Report will give the Bank of England the opportunity to re-evaluate the outlook for economic activity and inflation and the fiscal impact of the CSR.
- Consumer Price Inflation is stubbornly above 3% and could remain higher than the MPC has previously forecast.

- The employment outlook remains uncertain, as unemployment remains near a 16 year high at just over 2.4 Million.
- The recently announced Basel III capital/liquidity rules and extended timescales is positive for banks. However, the restructuring of UK bank balance sheets is ongoing and expected to take a long time to complete, and is a pre-condition for eventual normalisation of credit conditions and bank lending.
- A high savings ratio combined with a reduction in net consumer credit and weak consumer confidence are consistent with lower consumption and therefore future trend rate of growth despite Q2's strong performance.
- Uncertainty surrounding Eurozone sovereign debt and the risk of contagion will remain a driver of global credit market sentiment.
- The US Federal Reserve downgraded its outlook for US growth; the Fed is concerned enough to signal further QE through asset purchases might be required. Industrial production and growth in the Chinese economy are showing signs of slowing. Both have implications for the global economy.

ANNEX C

Specified and Non Specified Investments

Specified Investments identified for use by the Council

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the "high credit quality" as determined by the Council or is made with the UK government or is made with a local authority in England, Wales, Scotland or Northern Ireland or a parish or community council.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

"Specified" Investments identified for the Council's use are:

- Deposits in the DMO's Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- *Certificates of deposit with banks and building societies
- *Gilts: (bonds issued by the UK government)
- *Bonds issued by multilateral development banks
- Treasury-Bills (T-Bills)
- AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV)

- AAA-rated Money Market Funds with a Variable Net Asset Value (VNAV)
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

1. * *Investments in these instruments will be on advice from the Council's treasury advisor.*
2. *The use of the above instruments by the Council's fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.*

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

Long-term minimum: A+(Fitch); A1 (Moody's); A+ (S&P)

Short-term minimum: F1 (Fitch); P-1 (Moody's); A-1 (S&P)

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

New specified investments will be made within the following limits:

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limits £m
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/Call Accounts	UK	Other UK Local Authorities	No limit
Term Deposits/Call Accounts	UK*	Counterparties rated at least A+ Long Term and F1 Short Term (or equivalent)	
Term Deposits/Call Accounts	Non-UK*	Counterparties rated at least A+ Long Term and F1 Short Term (or equivalent) in select countries with a Sovereign Rating of at least AA+	
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 MMFs VNAV MMFs (where there is greater than 12 month history of a consistent £1 Net Asset Value)	
Other MMFs and CIS	UK/Ireland/ Luxembourg domiciled	Pooled funds which meet the definition of a Collective Investment Scheme per SI 2004 No 534 and subsequent amendments	

NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.

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

Money Market Funds – investments will be diversified amongst at least two or more funds.

Group Limits - For institutions within a banking group, a £37.5 million total limit will be applied (1.5 times the individual limit of a single bank within that group).

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m
Term Deposits/Call Accounts	UK	Santander UK Plc (Banco Santander Group)	£25,000,000	
Term Deposits/Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	Barclays Bank Plc	£25,000,000	
Term Deposits/Call Accounts	UK	Clydesdale Bank (National Australia Bank Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	HSBC Bank Plc	£25,000,000	
Term Deposits/Call Accounts	UK	Nationwide Building Society	£25,000,000	
Term Deposits/Call Accounts	UK	NatWest (RBS Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	Royal Bank of Scotland (RBS Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	Australia	Australia and NZ Banking Group	£25,000,000	
Term Deposits/Call Accounts	Australia	Commonwealth Bank of Australia	£25,000,000	
Term Deposits/Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	Australia	Westpac Banking Corp	£25,000,000	
Term Deposits/Call Accounts	Canada	Bank of Montreal	£25,000,000	
Term Deposits/Call Accounts	Canada	Bank of Nova Scotia	£25,000,000	
Term Deposits/Call Accounts	Canada	Canadian Imperial Bank of Commerce	£25,000,000	

Term Deposits/Call Accounts	Canada	Royal Bank of Canada	£25,000,000	
Term Deposits/Call Accounts	Canada	Toronto-Dominion Bank	£25,000,000	
Term Deposits/Call Accounts	Finland	Nordea Bank Finland	£25,000,000	
Term Deposits/Call Accounts	France	BNP Paribas	£25,000,000	
Term Deposits/Call Accounts	France	Credit Agricole CIB (Credit Agricole Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	France	Credit Agricole SA (Credit Agricole Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	France	Société Générale	£25,000,000	
Term Deposits/Call Accounts	Germany	Deutsche Bank AG	£25,000,000	
Term Deposits/Call Accounts	Netherlands	ING Bank NV	£25,000,000	
Term Deposits/Call Accounts	Netherlands	Rabobank	£25,000,000	
Term Deposits/Call Accounts	Sweden	Svenska Handelsbanken	£25,000,000	
Term Deposits/Call Accounts	Switzerland	Credit Suisse	£25,000,000	
Term Deposits/Call Accounts	US	JP Morgan	£25,000,000	

Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively if a counterparty is downgraded, this list may be shortened.

Reserves and balances policy

Background

This policy sets out the Council's approach to reserves and balances. The policy has regard to LAAP Bulletin 77 'Local Authority Reserves and Balances', issued in November 2008.

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
- 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;
- 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.

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 formally by the Cabinet Resources Committee, informed by the advice of the CFO.

CORPORATE RISK REGISTER

Introduction

The Council's budget setting process needs to have due regard to any risks that may have an impact on the Council's financial position.

Risk registers are updated on a quarterly basis across the organisation, with the most significant risks feeding into the corporate risk register. This is included in the table below.

The risks where there is a potential financial impact, and the mitigation in the budget report, is as follows:

1. **One Barnet programme** – the transformation programme is fully funded in this budget report. The risks associated with deliver of the programme and realisation of benefits is being monitored through the One Barnet governance structures.
2. **Government grant support** – this budget report includes actual government funding for 2011/12 and 2012/13 and presents a balanced position.
3. **Iceland deposits** – the risk reserve is being increased for 2011/12 to reflect the possibility that the Council will not receive priority status as a creditor as a result of the ongoing court proceedings.
4. **Primary school places** – the capital programme (Appendix 8) includes additional provision to increase the amount of primary school places in the borough, in line with demographic data.
5. **Demographic pressures** – an additional £2.4m has been added to the Adults Social Care budgets over the period 2011-14 to address the demographic pressures noted in this service.
6. **Supply of private rented properties** – corporate provision has been made to reflect the changes in housing benefits and the potential cost pressures that this will create.

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
<p>ORG0001 - Reputational Transformation – The Council's strategic agenda is defined by the One Barnet programme which is designed to transform public services to Barnet citizens, working with our partners and the community, in the context of severe resource constraint.</p> <p>Risk – failure to deliver One Barnet effectively, with declining service performance and citizen satisfaction. Sub-optimal commercial arrangements with third parties.</p>	High 3	Medium 2	<p>Ensure effective governance arrangements with both Cabinet Members and senior management engaged. <i>In Progress</i></p> <p>Communication and Engagement strategy to ensure project level communications and engagement plans are in place <i>Implemented</i></p>	31/03/2011 (Normal)	High 3	Medium 2
			<p>Transition Strategy to ensure business as usual is maintained during the delivery of the programme <i>In Progress</i></p> <p>Benefits Realisation Framework</p>	31/3/2011 (Normal)		High 6

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
			<i>In Progress</i>			
			Programme plan produced and signed off <i>In Progress</i>	31/3/2011 (Normal)		
			Project communications plans for live projects produced and signed off <i>In Progress</i>	31/3/2011 (Normal)		
			Risk management framework included risk and issue standards <i>Implemented</i>	31/3/2011 (Normal)		
			Risk management framework communicated to all live and pending projects and stakeholders <i>In Progress</i>	31/3/2011 (Normal)		
			Implementation partnership has been put in place to fill the	31/3/2011 (Normal)		

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
			knowledge and experience gap with regard to commercial assurance. <i>Implemented</i>			
ORG0002 - Financial Central government support has been cut and our response to this has gone to Cabinet and the budget will be finalised in February.	High 3	High 3	Financial and Business Planning Process <i>Complete</i> Risk assessment of savings plans <i>In Progress</i>	28/02/2011 (Normal) 31/3/2011 (Normal)	High 3	Medium 2 High 6
ORG0003 - Compliance - original Information management – The Council's overall arrangements to manage information, including systems, data sharing, data protection, freedom of	High 3	Medium 2	Information Governance Action Plan devised from recommendations in various internal and external reviews - <i>Complete</i>		High 3	Medium 2 High 6

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	Prob	Prob			Impact	Prob	Prob
<p>information, transparency etc need further development.</p> <p>Risk – breach of information management requirements, sub-optimal service delivery with partners, failure to address transparency agenda effectively.</p> <p>Mitigating action: improvement programme to be specified and delivered.</p>	High 3	Low 1	Medium 3	<p>Set up Information Governance Council (IGC) to oversee actions from the IM Review. - Implemented <i>Complete</i></p> <p>IGC to commission further work to enhance information management:</p> <ul style="list-style-type: none"> - revised ICT Policy - IM Strategy - Information framework, including data retention and data sharing - review of information sharing protocols and standards,. <p><i>In Progress</i></p>	30/4/2011 (Normal)	High 3	Low 1	Medium 3
<p>ORG0004 - Reputational Governance – The Council faces a period of major change with potential</p>	High 3	Low 1	Medium 3	Comprehensive performance management reporting process		High 3	Low 1	Medium 3

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
organisational trauma impacting on core governance systems and processes. Risk – breakdown in core governance systems leading to financial loss or reputational damage.			including key risks at Directorate and Corporate level. - <i>Implemented</i> Governance reporting to Statutory Officers Group. Report produced. <i>In progress</i>			
ORG0005 - Reputational Asset management – Asset management planning is inconsistent and not well integrated into the business planning process. Capital programme delivery is not timely. Risk – failure to deliver cost-effective capital assets necessary to support service delivery.	High 3	Medium 2	Develop Estate Strategy <i>In Progress</i>	31/3/2011 (Normal)	High 3	Medium 2
			Establish a Corporate Asset Management information system <i>In Progress</i>	31/03/2011 (Normal)		
ORG0006 - Reputational Procurement – The Council's procurement arrangements are	High 3	High 3	Consolidate procurement activity within the Commercial	31/03/2011 (Normal)	Medium 2	Medium 2
						High 6
						Medium 2
						Medium 4

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
<p>fragmented, with spend outside contracts, insufficient aggregation, and inadequate support to procurement processes.</p> <p>Risk – failure to deliver value for money, uncommercial contracts with suppliers.</p>			<p>Directorate <i>In Progress</i></p> <p>Develop and Implement an up to date Procurement Strategy <i>In progress</i></p>	30/04/2011 (normal)		
<p>ORG0007 – Financial Iceland deposits – The Council is currently assuming recovery of Icelandic bank deposits based on priority status for UK local authorities. The Icelandic courts may determine that UK local authorities will not have priority status, leading to lower recovery in the sum of c£14m.</p> <p>Risk – insufficient provision in the risk reserve and use of general fund balances which would need to be re-</p>	High 3	Medium 2	<p>Work with the LGA and other affected authorities to maximise recovery through the Icelandic courts. lawyers for affected authorities are preparing case <i>In Progress</i></p>	31/03/2011 (Normal)	High 3	Medium 2
						High 6

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment		
	Impact	Prob			Impact	Prob	
established at the minimum level.							
<p style="text-align: center;">ORG0008 was closed in Quarter 2 and transferred to the Directorate Risk Register for resolution.</p>							
ORG0009 – Political Narrowing the gap – The Council plans to narrow the educational attainment gap between children with the greatest disadvantage and average attainment. This is part of a wider strategy to support vulnerable families and minimise the cost of public services. A number of Barnet schools are likely to seek Academy status. Risk – reduction in Council controlled support to schools and consequent reduced ability to influence the contribution of school to this agenda.	Medium	2	Medium	4	31/3/2011 (High)	Medium	
						2	Medium
			Develop strategy for new LA role <i>In Progress</i>			2	Medium
			School Improvement Partners complete attainment review for all schools <i>Proposed</i>		31/03/2011 (Normal)		Medium
							4

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	Prob				Impact	Prob	
<p>ORG0010 – Reputational Development and infrastructure – Development within the Borough through the medium-term is planned to deliver 8,800 new homes and an increase in population of 20,000 by 2015.</p> <p>Risk – public service infrastructure within the borough is not able to expand to accommodate the increased requirements.</p>	High 3	High 3	High 9	Planning Policy to negotiate S106 agreements <i>In progress</i>	31/07/2011	High 3	High 3	High 9
				Explore other innovative forms of funding <i>In progress</i>	30/04/2011			
<p>ORG0011 – Compliance Waste management and sustainability – The cost of waste disposal will increase significantly in the medium-term due to landfill tax increases and the procurement of new waste disposal facilities by the NLWA. The loss of £258.4m PFI credits presents further</p>	High 3	High 3	High 6	Regular Barnet Waste Project Board meetings to enable informed officer input to the process, and prepare briefings for members – <i>In Progress</i>	30/04/2011	High 3	High 3	High 6
				NLWA Procurement risk register maintained and	30/4/2011			

Risk	Initial Assessment Impact Prob	Control Actions	Target Date (Priority)	Current Assessment Impact Prob	
<p>risk to the affordability and progress of the procurement. Waste minimisation, collection and recycling arrangements will significantly impact on cost and the amount of waste sent for disposal. In addition, the carbon reduction scheme will impose financial penalties in respect of wider sustainability issues. Government likely to further increase penalties/incentives.</p> <p>Risk – increased waste sent for disposal at significantly increased cost. Lack of progress on wider sustainability agenda attracting additional carbon commitment penalties.</p>		<p>updated – <i>In Progress</i></p> <p>Progress at NLWA meetings, critical review of NLWA papers, with additional support from specialist consultant <i>In Progress</i></p> <p>Develop & implement Waste Action Plan – <i>In Progress</i></p> <p>Annual communications plan to include more targeted communications based on the intelligence available <i>In Progress</i></p> <p>Establish & Embed Carbon Reduction Commitment Steering Group to strengthen management focus</p>	<p>30/4/2011</p> <p>30/4/2011</p> <p>30/4/2011</p> <p>31/03/2011 (normal)</p>		

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
ORG0012 - Financial Demand for primary school places will increase through the medium-term and investment requirements totalling c£40m are currently unfunded. Risk – insufficient primary school places are available to meet statutory requirements.	High	3	on Carbon Reduction commitment <i>In Progress</i>		High	3
	High	3	Options for the procurement going forward and their affordability is being considered with the NLWA. <i>In Progress</i>	30/4/2011	High	3
	High	9	Cabinet report Sept 6th 2010 setting out strategy and likely investment needs. Report approved by Cabinet – <i>Implemented</i>		High	3
	High	3	Commence consultation on the expansion of Broadfields <i>Implemented</i> Gain Cabinet approval for		High	9

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
<p>ORG0013 - Financial Demographic Funding Pressures. Risk of needing an additional funding requirement of £6.3m by 2015 caused by increasing demand and contractual pressures on Adult Social Services from an increasing ageing population (13.8% growth in population aged over 65 by 2015 – ONC population projections) and increased numbers of young people with complex disabilities surviving into adulthood.</p>	High 3	High 3	<p>expansion of Broadfields <i>Complete</i></p> <p>Inflationary uplifts being managed at 0% <i>In Progress</i></p> <p>New fairer contributions policy to be consulted on <i>In progress</i></p> <p>DDofASS and ADoC to develop and agree a joint transition strategy for Barnet <i>Proposed</i></p> <p>Ensure Council's approach to dealing with indexation and contracts is in line with Adults medium term financial plan <i>In progress</i></p>	31/03/2011 (Normal)	High 3	High 3
						High 9

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Impact	Current Assessment Prob
<p>ORG0014 - Financial Risk: new revenues and benefits systems will not be in place with effect April 2011 to collect taxes and administer benefits.</p> <p>Cause: Current supplier of Revs & Bens IT taken over by third party. Third party are desupporting the existing system with effect from January 2011 forcing all current users to source new systems.</p> <p>Consequence: Go-live has been delayed on 2 occasions due to IT hosting and the required quality criteria for data conversions. Current go-live mid February 2011. Level of debt and benefit administered within the affected databases totals c£600m per annum.</p>	High 3	High 9	Investigating the support of the current product beyond its proposed termination date as a contingency plan as a result of delay <i>Complete</i> Constant monitoring and reporting of risks, issues and progress through the various departments and companies involved. <i>In Progress</i> Legal advice to be sought. <i>In Progress</i> Existing system shut down whilst the data converts to the new system. <i>In progress</i>	14/2/2011 (High)	High 3	High 3
				14/2/2011 (High)	High 3	High 9
				14/2/2011 (High)	High 3	High 9

Risk	Initial Assessment		Control Actions	Target Date (Priority)	Current Assessment	
	Impact	Prob			Impact	Prob
			Go Live of new system once reconciled <i>In progress</i>	14/2/2011 (High)		