



Corporate Management Team

30 June 2020

Title	Chief Financial Officer Report Forecast Outturn Month 2 (May 2020)
Report of	Director of Finance (Section 151 Officer)
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A: Revenue tables
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Summary

This report contains a summary of the Council's revenue and capital forecast outturn for the financial year 2020/21 as at Month 2 (31 May 2020). It also contains information on the level of debt and the top 10 debtors as at 31 May 2020.

Recommendations

That CMT

1. Notes the overall financial forecast outturn for 2020/21 for General Fund services, Housing (HRA), Schools (DSG) and capital budgets.
2. Notes that while the underlying General Fund position is favourable, the impact of the pandemic response has been to create significant financial pressure.
3. Notes the net costs arising from the pandemic response and links these to plans to be shared at the 7th July CMT meeting for restarting stopped services or stepping down services stood up as part of the pandemic response phase.
4. Notes the forecast position on savings delivery and consider what further actions could be taken to maintain or improve delivery.
5. Notes the position on old year accruals as at 31 May 2020.

1 Executive Summary

- 1.1 This report sets out the Council's financial forecast outturn position for the 2020/21 financial year as at Month 2 (31st May 2020).
- 1.2 This is the first report of the year. It is intended that this report will be published on the Council website as the next FPCC is not until 27 October 2020, although some sections (notably the sections relating to accruals) may be removed prior to publication.
- 1.3 The overall position is complicated by the impact of the pandemic and the necessary response to it, and so the forecast shows this separately. However, there remains great uncertainty in **most areas of forecasting, and so the report should be read with that in mind.**
- 1.4 **The overall position is as follows:**
- **£29.421m forecast overall overspend, including the impact of the Covid 19 pandemic.**
 - **£28.847m of which is the estimated financial impact from the pandemic (consistent with the latest data return to MHCLG – 19 June; see also notes below).**
 - **£0.574m underlying forecast, excluding the financial impact of the pandemic response.**
- 1.5 **Within this forecast, savings delivery is estimated as £11.895m (68.7% of the MTFs target). Savings at risk are forecast to be £5.416m. (In 2019/20, savings delivery was slightly higher than 90%. If savings delivery in 2020/21 could be improved to 85%, this would improve the underlying outturn forecast from £0.6m overspend to a £2.2m underspend.)**
- 1.6 This is shown in further detail in Table 1 below.

Table 1 Month 2 Forecast Outturn

Service Areas	2020/21 Budget	Actuals to 31/05/2020	Forecast Outturn (before reserves)	Reserve Movements	Month 2 Forecast Outturn after reserve movements	Month 2 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	120,036	9,032	131,371	0	131,371	11,456	11,456	0
Children's Family Services	69,379	10,303	73,097	(1)	73,096	3,718	2,867	851
Environment	8,880	9,206	21,842	(581)	21,261	12,380	11,916	464
Growth and Corporate services	40,901	30,975	44,187	(659)	43,528	2,626	2,458	168
Assurance	7,312	1,406	7,302	150	7,452	140	150	(10)
Finance	63,027	(74,709)	62,128	0	62,128	(899)	0	(899)
Total at Month 2	309,535	(13,788)	339,271	(1,090)	338,837	29,421	28,847	574

- 1.7 **CMT are invited to note** that while the underlying position is favourable, the overall position, including the impact of pandemic costs, will place a significant financial burden on the council. Therefore, previously discussed CMT actions (scheduled for 7th July) to plan for moving away from the response phase of the pandemic and towards recovery are informed by this financial outlook (in particular the plans for restarting activities that have been stopped or put on hold or standing down activities that needed to be set up).

Covid-19 Pandemic

- 1.8 The total cost to the Council of the local response to the Covid-19 pandemic has been estimated, however, as the situation evolves, and new information becomes available those estimates are being kept under review. The Council has received a total of £25.2m from MHCLG to fund additional spend due to Covid (including the Hardship fund). Additional costs incurred in 2019/20 in relation to Covid-19 were £646k therefore the remaining grant available is £24.6m.
- 1.9 Table 2 below details the Covid financial impact by directorate. **CMT asked to bring plans forward by 7 July on consider** how these net costs could be reduced.

Table 2 Covid 19 financial impact

Directorate	Covid-19 Financial Impact	Main spend areas
Adults and Health	11,456	£1.258m net costs of Early Hospital Discharge Process. £4.297m discretionary Support to the Adult Care Market. £2.844m cost of the Help Hub and additional PPE. £1.877 support to the local leisure sector plus resulting MTFs savings where achievement is in doubt.
Children's Family Services	2,867	£1.2m supplier relief for Cambridge Education and ISS. £0.4m cost pressure for young adults identified as requiring more support as a result of placement/homelife breakdown. £0.2m for individuals who will stay in current placements. £0.2m increased subsistence for those out of school/college. £0.2m block booking of residential placements in line with anticipated demand. Plus other small variances.
Environment	11,916	£8.3m loss of parking income, £1.2m loss of commercial waste income £1.1m loss of TFL funding for the LIP programme £0.2m additional agency cost within Street scene £0.4m vehicle hire costs due to introduction of Ultra Low Emission Zone £0.5m loss of advertising income £0.2m loss of rents, sporting and cultural event income
Growth and Corporate services	2,458	£1.113m in CSG managed budgets and Estates, linked to loss of commercial rents, savings now in doubt and the costs associated with a review of the commercial portfolio which was to have been undertaken in 2019/20 but was delayed as a result of COVID-19. £0.500m housing general fund costs linked to additional temporary accommodation. £0.845m guaranteed income supplier relief expected along with income inflation (RPI) being lower than the local government pay award, both of which relate affect to the Re contract.
Assurance	150	£0.150m estimated costs related to additional emergency responders.
Finance	0	
Total	28,847	

- 1.10 The value shown in table 1 for the estimated cost of the pandemic is £28.8m. The most recent return to MHCLG showed cost pressures of £32.6m. The difference between these positions is £4.2m and is explained below. It should be noted that many costs may be difficult to finalise until much later in the year.

- Different treatments - £2.4m
 - £1.0m - Increased bad debt in parking receipts (not usually shown within the forecast).
 - £0.2m - areas overlapping the HRA
 - £0.9m Re Planning income (included in this report under 'risks' as value not yet clear)

- £0.3m Capita costs yet to be confirmed (included in this report under 'risks' as value not yet clear)
- Timing differences - £1.8m (Information identified before the MHCLG deadline but after the M2 position had been finalised).
 - £1.0m - increased mortuary costs
 - £0.4m - Re; increased supplier relief estimate
 - £0.4m - increased temporary accommodation estimate

1.11 The value of the pandemic response costs shown in table 1 amounts to £28.8m. This is the impact on General Fund services and includes and expected cost recovery from NCL CCG. When the timing differences and treatment variation detailed above are included, and the CCG cost recovery excluded, the gross cost to GF services is £38.6m.

1.12 Outside of GF services, there is also a substantial impact on the Collection Fund currently estimated at £13.6m, comprising lower than anticipated collection levels for business rates (NDR) and Council Tax, as well as the impact of Local Council Tax Support schemes (LCTS).

1.13 The gross impact across collection fund and general fund is therefore £52.1m. The resources available to offset this are government grant funding detailed at paragraph 1.8 and the NCL expected income of £6.0m, total resources of £30.6m (including the Hardship Fund allocation).

1.14 The net cost impact of the pandemic response across both general fund and collection fund is therefore an estimated net pressure of £21.5m.

Savings

1.15 In 2020/21 budget planned for the council to deliver £17.311m of savings. Table 3 below summarises the value of savings that are expected to be achieved against that savings programme. These amounts are included in the forecast shown in table 1.

1.16 **CMT are invited to consider** what actions could be taken to maximise delivery of savings during the year, given the constraint on this arising from the response to the pandemic.

Table 3 Savings Delivery 2020/21

Service Area	Savings target 2020/21 £'000	Savings On Track as at 31/05/2020 £'000	(Gap)/Over to plan £'000	Service area gap %
Adults & Safeguarding	(5,741)	(4,034)	(1,707)	29.73%
Children and Family Services	(2,719)	(1,789)	(930)	34.20%
Environment	(4,150)	(2,600)	(1,550)	37.35%
Growth and Corporate Services	(3,874)	(2,739)	(1,135)	29.30%
Assurance	(247)	(233)	(14)	5.67%
Finance	(580)	(500)	(80)	13.79%
Total	(17,311)	(11,895)	(5,416)	
Percentages	100.00%	68.71%	31.29%	

2 Revenue Forecast - General Fund services

2.1 This section of the report sets out the commentary for the service areas financial performance to the end of May 2020. Detailed variances for each service areas can be found in Appendix A.

Adults Services and Health

2.2 The revenue forecast outturn position for Adults Services and Health for 2020/21 is a £11.456m overspend; of this £11.456m is due to Covid-19 therefore the underlying budget position is currently projected as equal to the budget (a breakeven).

2.3 Table 4 details the forecast outturn position.

Table 4 Adults and Health Month 2 Forecast Outturn

Service	2020/21 Budget	Actuals to 31/05/2020	Month 2 Forecast Outturn	Month 2 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	101,737	8,622	109,971	8,234	8,234	0
Adult Transformation Programme	0	52	0	0	0	0
Leis, Sports and Phys Activity	521	(890)	2,398	1,877	1,877	0
Public Health	17,577	1,196	18,922	1,345	1,345	0
Corporate Health & Safety	201	52	201	0	0	0
Adults and Health Total	120,036	9,032	131,492	11,456	11,456	0

2.4 The total Covid financial impact for Adults and Health at month 2 is estimated to be £11.456m, shown in the table below. These figures reflect the position included on the 3rd return to MHCLG (19/6/20).

Table 5 Adults and Health Covid-19 Service Impact

Service Area	COVID-19 Impact	Commentary
	£'000	
Adult Social Care	1,258	Additional demand (Net of CCG funding for Early Discharges)
	3,900	Supporting the care market - Residential
	579	Supporting the care market - Homecare
	498	Supporting the care market – Support Living
	180	Supporting the care market – Direct Payments
	1,374	Help Hub
	445	PPE, staffing, loss of income
Adult Social Care	8,234	
Public Health	996	PPE
	349	Bereavement support, staffing, contracts
Public Health	1,345	
Leis, Sports and Phys Activity	720	Support to GLL re loss of income/business disruption
	1,157	surplus income item – unlikely to achieve
Leis, Sports and Phys Activity	1,877	
Adults and Health Total	11,456	

2.5 The underlying budget position is currently forecast to budget.

Emerging Risks

- 2.6 Although the budget is forecasting a breakeven position there are a number of risk areas which are currently being reviewed with recovery and improvement plans in place or being drawn up, as set out below.
- 2.7 Placements Covid-19 is adding further uncertainty on top of the normal demand volatility in this area. The Covid impact shown above aims to capture where there is additional demand, mainly through the Hospital Early Discharge process currently in operation (following NHSE/I guidance and in partnerships with the NHS), and also where there are added costs due to discretionary support to the Adult Care market. Most of the types of support have been agreed, but there are some decisions yet to be taken.
- 2.8 Leisure There is a potential additional financial risk in relation to support to the Leisure Industry, which is being closely monitored. Financial support for the first quarter of this financial year and impact on savings delivery have been included on the MHCLG return, however the forecast after quarter 1 remain uncertain. The service is working closely with partners at GLL to regularly assess the outlook in this area.
- 2.9 Funding Confirmed allocations of funding received from MHCLG will help understand the overall financial position for Adults and Health, informing discussions around budgetary recovery planning where necessary.
- 2.10 Savings There is currently an expectation that a significant proportion (59%) of planned savings will be achieved. The financial implications of the efficiency targets impacted by Covid are included on Covid impact modelling. Delivery of savings will continue to be reviewed and analysed alongside any residual impact of the pandemic.

Children and Family Services

2.11 The revenue forecast outturn position for Children and Family Services for 2020/21 is a £3.718m overspend; of this £2.867m is due to Covid-19 therefore the underlying budget position is £0.851m overspend. This is further analysed in the paragraphs below.

Table 6 Children's and Family Services Month 2 Forecast Outturn

Service	2020/21 Budget	Actuals to 31/05/2020	Forecast Outturn (before reserves)	Reserve Movements	Month 2 Forecast Outturn after reserve movements	Month 2 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children Social Care	46,183	5,928	48,397	0	48,397	2,214	1,564	651
Early Intervention & Prevention	17,771	3,627	19,075	(1)	19,074	1,303	1,303	0
Family Services Management	406	184	606	0	606	200	0	200
Sub Total	64,360	9,739	68,078	(1)	68,077	3,718	2,867	851
18-25	5,019	564	5,019	0	5,019	0	0	0
Children's Family Services	69,379	10,303	73,097	(1)	73,096	3,718	2,867	851

2.12 The total Covid financial impact at month 2 is estimated to be £2.867m, shown in the table below. These figures represent the position included on the 3rd return to MHCLG (19/6/20). It should be noted that we have taken the approach of including current committed known costs in the forecast plus 50% of previously estimated costs. As the COVID situation develops further, and the impacts of it are more clearly known, this will be updated.

Table 7 Children's and Family Service Covid-19 Financial Impact

Service Area	COVID-19 Impact	Commentary
	£'000	
Children's Social Care	400	50% of overall estimated cost increase in demand of young adults identified as requiring more expensive and extensive support due to breakdown of current arrangements
	200	50% of overall estimated cost increase of legal proceedings and agency costs as a result of COVID
	160	Block booking of Champion House to cover anticipated surge in demand. Discussions are ongoing as to whether we can recover this from the CCG
	150	50% of overall estimated cost for individuals who will stay in current placement due to being unable to move on during lockdown
	150	50% of overall estimated cost of increase subsistence for those out of school./college
	150	50% of overall estimated cost of increased use of IFA's and potential risk of placement breakdown due to illness
	100	50% of overall estimated cost of increased placement costs
	214	Miscellaneous others
Children's Social Care	1,564	
Early Intervention & Prevention	730	Supplier relief granted to Cambridge Education for lost income from not selling traded services due to lockdown and additional spend requirement on SEN tuition and transport
	450	Supplier relief granted to ISS due to lost parental income on school meals. This is the net costs to ISS after relevant cost savings were factored in also.
	90	50% of overall forecast for lost income from fees and charges in libraries. Remaining 50% sitting in risk
	33	Miscellaneous others

Early Intervention and Prevention	1,303	
Children's and Family Services Total	2,867	

2.13 The underlying budget position is currently £0.851m overspent, of which £0.930m is due to planned savings that are currently at risk of not being achieved. The detail on this can be seen in the savings section below. Since Month 2 has been finalised, work has remained ongoing on these savings and their various mitigations and M3 will report a more positive position.

2.14 The difference of £0.079m is a forecast underspend against legal costs.

2.15 Mitigations:

- Mitigations have not been considered as part of this forecast and will be worked on as part of month 3 and future months. Going forward, all overspends will have a mitigation plan associated with them which can be tracked and measured.
- The service has introduced a Placements Board and an MTFs board both of which are currently reviewing those areas. There is also a further piece of work being done by finance around how accruals accounting may support these conversations.

Emerging Risks

2.16 There are various risks that are known but not included within the current forecast. Once there is a greater degree of certainty over the outcome of these, they will either be included in the forecast or removed from the risks. The table outlines known risks as of Month 2.

Table 8 Children's and Family Services Emerging Risks

Description of Risk	Mitigating actions
50% of COVID forecast as detailed in section 2.3	N/A at this point in time
TFL removing free travel for U18's	N/A at this point in time
Supreme court ruling on working night shifts and minimum wage	N/A at this point in time
Haringey Council invoices	Discussions ongoing with Haringey regarding the amount in question- we believe the figure should be lower

Environment

2.17 At month 2 the forecast outturn position for 2020/21 is an overspend of £11.867m against a budget of £8.880m, which includes estimated additional pressures totalling £11.403m due to Covid-19, therefore the budget position excluding the Covid impact is a £0.464m overspend.

2.18 Table 9 provides a summary of the overall position.

Table 9 Environment Month 2 Forecast Outturn

Service	2020/21 Budget	Actuals to 31/05/2020	Forecast Outturn (before reserves)	Reserve Movements	Month 2 Forecast Outturn after reserve movements	Month 2 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Street Scene	15,665	(1,119)	16,431	0	16,431	766	1,794	(1,028)
Greenspaces Development	1,024	(85)	2,370	(581)	1,789	765	230	535
Parking & Infrastructure	(10,133)	10,113	(460)	0	(460)	9,674	8,782	892
Environment Management	1,852	374	1,917	0	1,917	65	0	65
Environment Subtotal	8,408	9,284	20,259	(581)	19,678	11,270	10,806	464
Re managed Budgets	472	(78)	1,583	0	1,583	598	598	0
Total	8,880	9,206	21,842	(581)	21,261	11,867	11,403	464

2.19 The total Covid-19 impact current forecast for the directorate is £11.216m. The full details of this is broken down in Table 10.

Table 10 Environment Covid-19 Service Impact

Directorate	Service	COVID-19 Impact	Commentary
		£000	
Street scene	Refuse Vehicles	360	Additional vehicle hire costs required within Recycling and Waste due to the delay in the delivery of new vehicles, as the current fleet is not LEZ-compliant.
	Refuse Agency Costs	128	Additional agency staff required cover for sickness due to Covid-19.
	Street Cleansing Agency Costs	86	Additional agency staff required cover for sickness due to Covid-19.
	CSI- Commercial Waste	1,220	Estimated loss of commercial waste collection income
Street Scene		1,794	
Greenspaces Development	Parks & Open Spaces	230	Loss of income received from rents and sporting events.
Greenspaces Development		230	
Parking & Infrastructure	SPA	7,877	Potential loss of income from PCN's, Bus Lanes, Permits, suspensions, Moving Camera and P & D On-Street
	Off Street Parking	415	Potential loss of income from P & D Off-Street
	Advertising	490	Potential loss of income from Advertising income
Parking & Infrastructure		8,782	
Re Managed Budgets	RE- Managed Budgets	598	Level of LIP funding required as a result of Covid-19, it has been assumed that TFL funding won't be available to cover these fees.
RE- Managed Budgets		598	
Environment Total		11,403	

2.20 The underlying budget position for 2020/21 is an overspend of £0.464m, key pressures making up this variance is as follows:

- Street Scene budget has an underspend of £1.028m mainly due to an overachievement within the Garden Waste service of £0.980m. £0.500m from the additional income generated from the Chargeable Garden Waste service has been earmarked for the enhancement of the Street Cleansing service and £0.060m for the administration costs to support the service this has not been included in the forecast but will be in Month 3.
- Greenspaces Development has an overspend of £0.535m mainly due to the service being unable to meet the savings targets set in previous years totalling £0.600m. The forecast outturn position includes reserve funding for the tree planting programme of £0.581m.
- Parking & Infrastructure budget has an overspend of £0.892m. This is largely due to an underlying position of an underachievement of parking income of £0.340m. Additional costs of £0.122m for unfunded maintenance works and Non-Domestic Rates within Car parks, £0.188m for Winter Maintenance and £0.186m for additional staffing costs.

- Re Managed Budgets is reporting to budget excluding the covid financial impact due to loss of LIP funding from TFL.

Parking Analysis

2.21 Figure 1 below shows the no. of PCNs issued so far this year compared with 2018/19 and 2019/20.

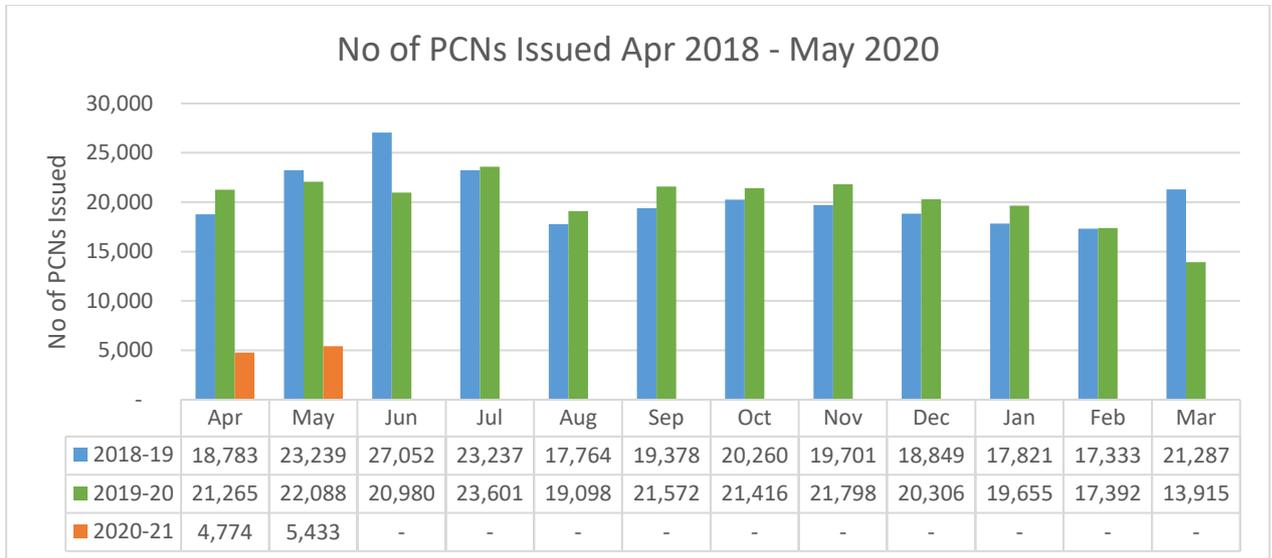


Figure 1 No of PCNs Issued 2018/19 - M2 2020/21

2.22 There has been a significant drop in PCNs issued in the first two months of the year. Full parking enforcement will resume from 8th June and there is an expectation that this will affect the CEO (Civil Enforcement Officer) PCN (Penalty Charge Notice) issue, for on street and car parks. There has been a slight upward trend for those areas already, but the expectation is to be a step change.

2.23 A key area of uncertainty is box junctions, which in normal times accounted for a substantial income for moving traffic income, contravention of these restrictions happens largely when traffic reaches a critical mass, if traffic levels remain lower overall, more dispersed through the day, and if measures are put in place to keep traffic on major routes, compliance at these sites may be maintained at a higher level. This is a significant income risk, to date box junction contravention levels have fallen to 2% of normal levels then recover to 6%. There has been a slight improvement as May showed a spike to 11%, but it is too early to know whether this is an anomaly.

2.24 Figure 2 and 3 below show the gross income received in 2018/19 and 2019/20 compared to April and May 2020.

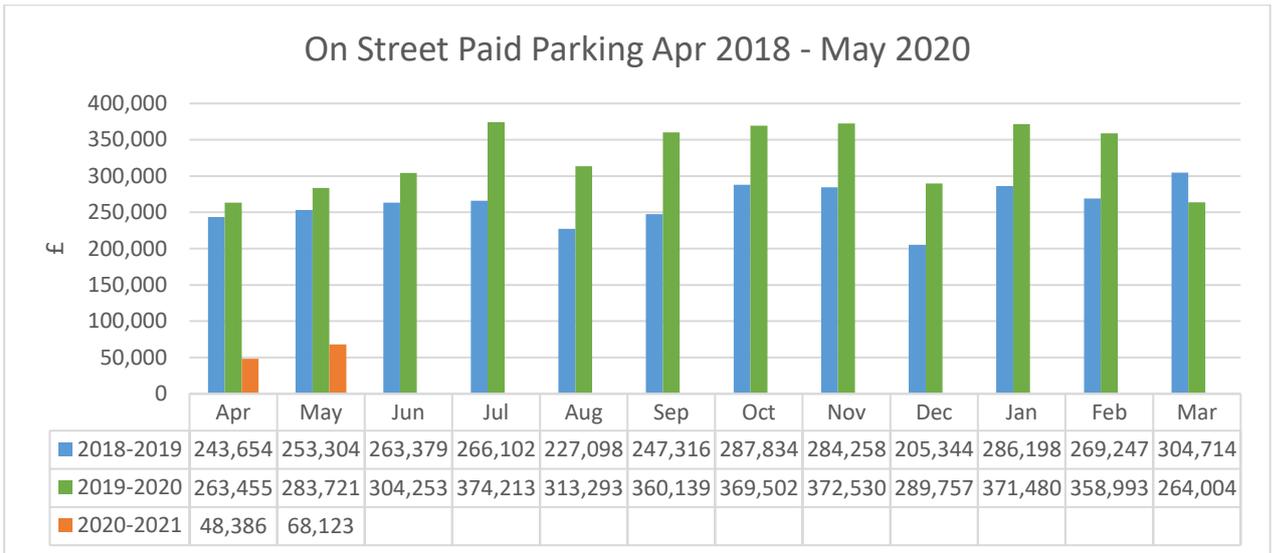


Figure 2 Gross Income Analysis from On Street Parking

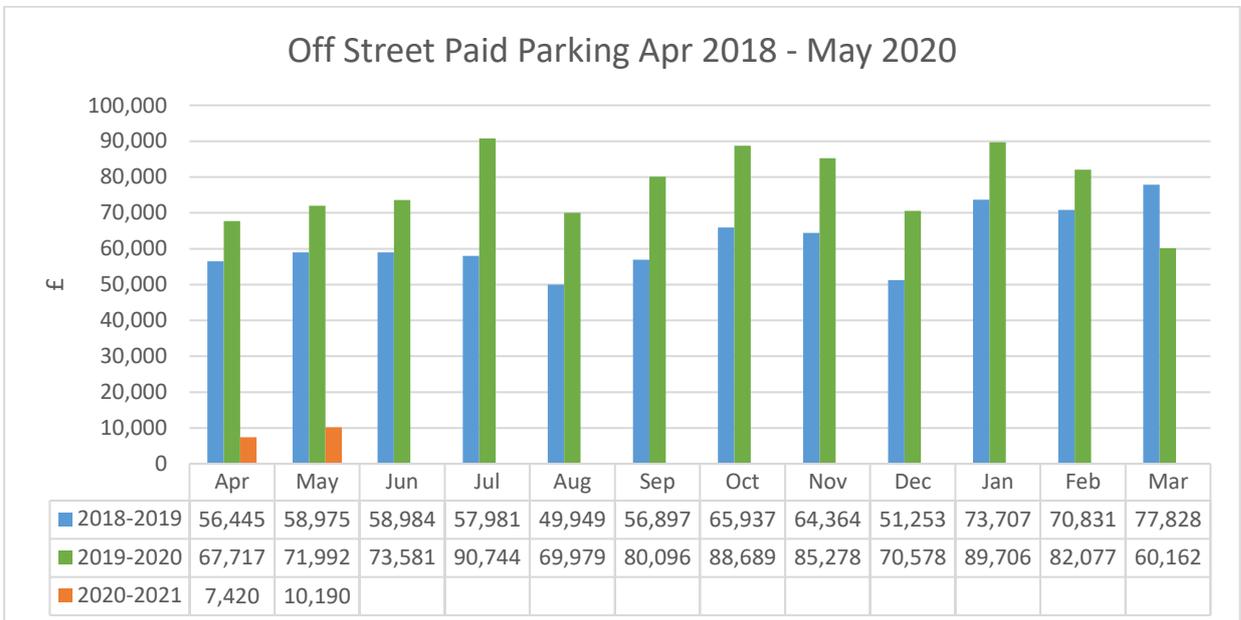


Figure 3 Gross Income Analysis Off Street Parking

2.25 There has clearly been a significant drop in the gross income received from paid parking during 2020/21 due to Covid -19. For On Street Parking there has been an 79% drop in income for the first two months of the year when compared with the first two months of 2019/20 and for Off Street Parking this drop is 87%.

2.26 The model provided by the service to support the loss of income due to COVID-19 included projections for the full month of June which would have been in full lockdown. However due to the lack of data, the level of income is hugely uncertain now.

2.27 The expectation is that the immediate effect will be an improved position, however there is also a strong possibility that there will be slower long-term recovery overall. The service will be able to provide a more up to date position at Month 3, but will not be until Month 6, at least, before there will be noticeable trends developing in the longer-term effect.

Emerging Risks

2.28 The table below highlights the current financial risks within Environment that are being monitored but have not formed part of the forecast.

Table 11 Environment emerging risks

Risk	Description of Risk	Mitigating actions
Oakleigh Road Remedial works	Oakleigh depot has had a severe operational impact on waste collection and other environment services. Remedial works commenced on 18th November 2019 resulting in significant service disruption. The works are expected to take 26 weeks to complete. There is likely to be significant service disruption until late 2020.	Unable to confirm any mitigating actions at present. Work is on-going to refine cost estimates.
Winter Maintenance	Current forecast is based on an average winter, as this risk is associated with the potential additional costs if we were to experience a severe winter additional cost could be up to £1m	To be included with the 20-21 pressure bids at budget setting.
LED Lighting	The LED Project installation works were suspended for two months due to COVID-19 and therefore progress has been delayed, however actions are being taken to mitigate this delay and to ensure that the programme is completed before the winter months when the maximum energy savings are derived.	A plan is being constructed that will ensure the delivery of the required savings via a combination of LED energy reduction and operational efficiencies.
Mortuary	Mortuary Shared Service is being delivered by a partnering borough. Additional costs incurred due to Covid-19 are currently not included within the forecast as it is expected Central Govt will reimburse the lead authority (Brent). There is a risk that MHCLG may feel that local govt have been fully funded and we may incur this cost.	Liaising with LB Brent to ensure the cost will be covered.
Parking	Bad debt provision – Parking Income. The expectation is that the immediate effect will be an improved position, however there is also a strong possibility that there will be slower long-term recovery overall.	The service will be able to provide a more up to date position at Month 3, but it will be until at least Month 6 before there will be noticeable trends developing in the longer-term effect.
Commercial Waste	There is noticeable downward trend of total outstanding is still £1.3m for outstanding customer recipients for the collection to commercial waste. When debt recovery is reinstated this situation is likely to improve noticeably.	The financial modelling will be further refined for subsequent monthly monitoring using the latest data available as well as factoring the latest plan from the government to lift restrictions

Growth and Corporate Services

2.29 At month 2 the forecast outturn position for 2020/21 is an overspend of £2.626m against a net budget of £40.901m, which includes estimated additional annual pressures totalling £2.458m due to Covid-19, therefore the forecast budget position excluding the Covid impact is a £0.168m overspend.

Table 12 Growth and Corporate Services Month 2 Forecast Outturn

Service	2020/21 Budget	Actuals to 31/05/2020	Forecast Outturn (before reserves)	Reserve Movements	Month 2 Forecast Outturn after reserve movements	Month 2 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Customer Support Group	24,161	4,149	25,860	0	25,860	1,699	1,113	586
Deputy Chief Executive	515	268	585	0	585	70	0	70
Growth and Development	9,490	8,062	9,739	(300)	9,439	(51)	500	(551)
Commercial & ICT	2,667	32	2,594	0	2,594	(73)	0	(73)
Human Resources & OD	1,337	781	1,741	0	1,741	404	0	404
Strategy & Communications	1,107	114	1,107	0	1,107	0	0	0
GCS Subtotal	39,279	13,406	41,627	(300)	41,327	2,049	1,613	436

Transformation Programme	0	1,093	229	(229)	0	0	0	0
Regional Enterprise (Re)	1,623	16,476	2,331	(130)	2,201	578	845	(267)
Total	40,901	30,975	44,187	(659)	43,528	2,626	2,458	168

2.30 The forecast position as at month 2 is £2.626m forecast overspend. This is due to:

- Customer Support Group: £1.699m forecast overspend. This is made up of £1.597m forecast overspend in CSG Managed Budget, mainly in property services. Barnet house and Colindale are contributing to this, with increased rent, lost income, and increased costs for security and cleaning contracts. Another key factor in the overspend is Oakleigh Road Depot, including increased rent, the additional lease costs, and measures taken during the subsidence inspections. As well as a £0.103m forecast overspend in CSG Management Fee predominantly as a result of a shortfall in Schools Traded Service income.
- Human Resources & Organisation Development: £0.404m forecast overspend as at month 2 as a result of both trade union costs being higher than budget and an amount of £0.354m relating to 2019/20 being paid in 2020/21.
- Regional Enterprise: £0.578m forecast overspend as at month 2 predominantly due to assumed Guaranteed Income relief and revised indexation calculations as a result of COVID-19.

2.31 The total Covid-19 impact forecast for the directorate is £2.458m. The full details are shown in the table below:

Table 13 Growth and Corporate Services Covid-19 financial Impact

Directorate	Service	COVID-19 Impact	Commentary
		£000	
Customer Support Group	CSG Managed Budget	433	Costs associated with a review of the commercial portfolio which should have been undertaken in 2019/20 but delayed as a result of COVID-19.
	CSG Managed Budget	680	Loss of commercial rents and unachievable MTFS savings
CSG Total		1,113	
Growth and Development	Housing Strategy	500	Temporary accommodation costs
Growth and Development Total		500	
Regional Enterprise (Re)	Guaranteed Income (GI)	639	Assumed Guaranteed Income relief requested
	Re Management Fee	206	Increased management fee
Regional Enterprise Total		845	
Total		2,458	

2.32 The underlying budget position for 2020/21 is an overspend of £0.168m, key pressures making up this variance are largely offset across the directorate but the underlying pressure being as a result of CSG managed budgets (Estates management) expenditure; predominantly increased rents.

2.33 The planned use of reserves in 2020/21 is £0.659m which is made up of £0.250m in housing management; (Grant held in the reserves to be used for Housing Options team additional staff (for 2 years i.e. managers and trainees) to work on Homeless mitigation actions agreed) , £0.050m in planning, £0.239m for the strategic contract review and £0.130m is the CIL reserve drawdown against the RE management fee agreement and is budgeted.

Emerging Risks

2.34 The following risks totalling have been identified but not included within the forecasts presented above due to the uncertainty of their impact, effect and measurement.

Risk	Description of Risk	Mitigating actions
TFL Income - 1920 capital financing debtor	In 2019/20 there was a capital financing debtor of £2.3m however there is a risk that due to COVID this income either will not be received or that there will be a significant delay in receiving it. TFL claims need to be made on invoices (not GRN) in line with TFL financial guidance.	Unable to confirm any mitigating actions
Managed budgets	Legal costs and Direct Labour Organisation (DLO) standby charges are disputed; potentially no sufficient budget to cover legal and other costs.	It is currently expected to contain DLO charges, and legal costs are being held under review.
Guaranteed income (GI) - Legal costs	Legal costs are currently assumed as on budget, however as no costs have yet been processed the level of activity is not yet known with confidence.	Costs held under review.
Guaranteed income (GI) - Bad Debt	Write offs at the end of the financial year should not have an impact on LBB as they should be offset against the Re Guaranteed Income.	Detailed work to be done on bad debts in order to mitigate any negative impact during the year.
Guaranteed Income - Regen PDA Income	PDA Income is charged to the HRA but also counts towards Re's GI. This could lead to a shortfall. If the total PDA projections received from Re exceed the £806k budget, then this will result in a pressure as the income is reported under HRA.	Re to provide monthly updates as agreed with the client so that any ongoing pressures/issues are identified

Assurance

2.35 The forecast outturn position for 2020/21 is an overspend of £0.140m against a budget of £7.312m, which includes estimated additional pressures totalling £0.150m due to Covid-19, therefore the budget position excluding the Covid impact is a £0.010m underspend.

Table 14 Assurance Month 2 Forecast Outturn

Service	2020/21 Budget	Actuals to 31/05/2020	Forecast Outturn (before reserves)	Reserve Movements	Month 2 Forecast Outturn after reserve movements	Month 2 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assurance Management	829	107	829	0	829	0	0	0
Counter Fraud Operations	347	17	347	0	347	0	0	0
Community Safety	1,657	349	1,784	0	1,784	128	0	128
Electoral Service	819	284	674	150	824	5	0	5
Governance	2,240	319	2,240	0	2,240	0	0	0
Assurance and Business Development	606	92	614	0	614	8	0	8
Internal Audit	383	105	383	0	383	0	0	0
Legal Advice and Monitoring	11	16	11	0	11	0	0	0
Organisational Resilience	420	117	419	0	419	(1)	150	(151)
Assurance Total	7,312	1,406	7,302	150	7,452	140	150	(10)

2.36 The total Covid-19 impact current forecast for the directorate is £0.150m this represents the estimated additional costs associated with emergency responders as a result of the pandemic response.

2.37 The reasons for the underlying position of an underspend of £0.010m can be summarised as follows:

- Community Safety £0.128m overspend: due to a £0.050m overspend in MOPAC as a result of a doubtful saving. A £0.036m overspend in CCTV is due to on-going cost pressures and a £0.072m overspend in Community Safety Environment Enforcement is mainly due to a projected short-fall in Empowering-Communities Inclusion & Neighbourhood management System, Fixed Penalty Notice and Single Justice Procedure notice income. This is all partially offset by a £0.029m underspend in domestic violence commissioning is due to efficiency savings in the contract costs.
- Assurance and Business Development £0.008m overspend: due to reduced subscriptions, equipment purchases and printing costs in records and information management, offset by Customer Complaints salary cost pressures.
- Electoral Services £0.005m overspend: due to £0.045m staffing pressure in the Electoral Services cost centre which are netted off against Print and other service efficiencies.

2.38 The planned use of reserves in 2020/21 is just a £0.150m top up to the local elections reserve which funds the costs associated with future local elections to ensure that net spend is not higher in an election year.

Finance

2.39 The finance directorate is showing an overall underspend of £0.899m against a budget of £63.027m.

Table 15 Finance Month 2 forecast Outturn

Service	2020/21 Budget	Actuals to 31/05/2020	Month 2 Forecast Outturn	Month 2 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£'000	£'000	£'000	£'000	£'000	£'000
Central Expenses	56,485	11,897	55,462	(1,023)	0	(1,023)
Finance	3,589	(79,455)	3,740	151	0	151
Grants	29	0	29	0	0	0
Revs & Bens	2,924	(7,152)	2,897	(27)	0	(27)
Assurance Total	63,027	(74,709)	62,128	(899)	0	(899)

2.40 Central Expenses includes corporate costs such as levies, capital financing costs, housing benefit costs, contingency and historical early retirement commitments. The nature of these items means that significant budget variances can be seen. The budget variance for these areas in period 2 was expected to be an overall underspend of £1.023m. This is primarily driven by capital financing (£0.670m) and decreasing early retirement commitments (£0.362m).

2.41 The net position across the remaining lines within finance is an overspend of £0.124m which is caused by an overspend resulting from additional interim staff. These relate to the tail end of the restructure and recruitment process following insourcing of the finance service.

2.42 Covid-19 funds received from the Central Government are forecasted to be fully utilised as per specific grant policies, e.g. to support local businesses in Barnet.

Savings

2.43 In 2020/21 the council is budgeted to deliver £17.311m of savings. The paragraphs below provide more detailed analysis of performance.

2.44 Total Adults and Health savings are £5.741m of which £3.386m are forecast as achievable':

- Whilst the Covid pandemic is likely to have an impact on the full delivery of a number savings included on the MTFs there is still an expectation that 59% of the target will be met without further mitigation.
- The largest single area of impact is the ability to achieve additional income from the leisure contract (GLL). This has been directly impacted by the pandemic with the service closing for a period and subsequent expected business interruption for the remaining part of this financial year, and possibly beyond.
- Some savings areas, particularly those relating to package reviews, have been deferred, and current figures reflect this.
- Savings at risk, that are not Covid related, amount to £0.250m. These are in relation to Prepaid Cards for Direct Payment service users. This continues to be reviewed.

2.45 Total Children's and Family savings are £2.719m is currently showing a pressure of £0.930m.

- £0.450m placement savings – it was planned to increase recruitment of our own foster carers to reduce need for more expensive independent fostering. This saving was for a full year, but progress has been slowed due to COVID and general market conditions. The saving looks unlikely to be fully realised this year. However, the placements programme board is meeting regularly to drive progress.
- £0.300m was included in the budget as an expected uplift to Home Office funding for UASC as part of their annual review. Due to the timing differences in setting the budget and the Home Office confirming funding, the amount was an estimate. At the time of preparing this report, it was anticipated that only half of this will be realised leaving £0.150m as a pressure. (However, since finalisation of figures for this report, it has been established that this target will now be met in full.)
- £0.200m saving was set relating to reduced agency staffing costs and increased permanent social workers. However, COVID has slowed this and the saving is in doubt. It is anticipated that an invest-to-save initiative using funding from the transformation reserve may be required to improve delivery.
- £0.130m was earmarked as a training saving through utilising the apprenticeship levy. However, it has been confirmed that the training in question cannot be funded from the apprenticeship levy so this will not be achieved.

2.46 Total Environment Savings are £4.150m.

- £0.800m savings for chargeable green waste collections has been fully achieved.
- £0.600m Street Lighting LED retrofit saving is also forecast to be fully achieved.
- £2.600m of the savings relate to additional parking income; this is unlikely to be fully achieved due to the impact of Covid-19, also due to plans for new sites for moving cameras being confirmed, also the review of CPZ sites is in consultation stage. At Month 2 an estimated £1.200m is expected to be achieved against this saving target.
- £0.100m savings from the advertising contract is current unlikely to be delivered due to the impact of Covid-19.
- £0.050m savings for Electric Vehicle and 5G capacity is also unlikely to be achieved.

2.47 Growth and Corporate Savings are £3.874m.

- £1.300m exit of NLBP2 lease has been fully achieved
- £0.680m rental opportunity savings relating to commercial property acquisitions and new lettings will not be achievable in 2020/21 as a result of COVID
- £0.871m CSG contract savings for back-office services has been fully achieved

- £0.203m saving from sub-letting Barnet House is at risk due to COVID

2.48 Assurance savings are £0.247m

- £0.076m is a saving associated with the FPN littering contract will be achieved or mitigated in year
- £0.424m is a saving linked to income from Public Health funded by grant and shall be fully achieved in year

2.49 Finance savings are £0.580m

- £0.500m Housing Benefit Overpayments recovery
- £0.080m saving on re-procurement of telephone and web-based payment contract. The implementation of the system that could result in £0.080m saving, has been indefinitely postponed, pending completion of a compliance review in later periods.

3 Revenue Forecast - Housing Revenue Account

- 3.1 The HRA budget was set following the approval of the HRA business plan in January 2020. The budget for 2020/21 was a deficit budget of £2.541m.

Table 16 HRA Forecast Outturn Month 2

Service Areas	Revised Budget	Forecast Outturn	Budget Variance
Dwelling Rent	(50,404,962)	(49,700,000)	704,962
Service & Other Charges	(8,506,962)	(7,760,000)	746,962
Housing Management	20,544,668	20,150,341	(394,327)
Internal recharges	3,047,794	3,178,451	130,657
Repairs & Maintenance	6,960,886	7,759,868	798,982
Provision for Bad Debt	257,789	330,000	72,211
Regeneration	817,000	827,000	10,000
Debt Management Expenses	8,253,255	7,570,000	(683,255)
Capital Charges	21,651,168	22,500,000	848,832
Interest on Balances	(80,153)	(80,153)	-
HRA (Surplus)/Deficit	2,540,483	4,775,507	2,235,024

- 3.2 As at month 2, the forecast deficit is £4.776m, which equates to a £2.235m overspend from the agreed 2020/21 budget. This has resulted in a forecast draw down from the HRA reserve as summarised in the following table.

Table 17 HRA Reserves

Service Area	B/Fwd	Forecast Revenue Movement	Forecast Depreciation	Forecast Funding for Capex CFR	C/Fwd
	£'000	£'000	£'000	£'000	£'000
HRA Reserve	7,427,000	(4,775,507)			2,651,493
Major Repairs Reserve	11,460,000		22,500,000	(22,500,000)	11,460,000
HRA Reserves	18,887,000	(4,775,507)	22,500,000	(22,500,000)	14,111,493

- 3.3 As a result of the emerging forecast position, work is in hand to establish a number of options, recommendations and proposals to improve the HRA position. This includes:
- Review of accounting policies (Capital charges and depreciation).
 - Review of reserve balances, contributions and movements (HRA reserve and MRR).
 - Review of 50-year business plan and medium-term financial strategy.
 - Review of controllable items, council recharges and other components of the HRA.
 - Comprehensive review of all current arrangements between the council and Barnet Homes to ensure that all information impacting on the financial forecast for the HRA is shared in a timely manner and to promote co-ordination in the overall management of the HRA.

Aged accruals analysis

3.4 The table below details the aged accruals analysis for HRA:

Table 18 HRA aged accrual analysis

aged accruals	less than 30 days	30-60 days	60-90 days	90-150 days	150-365 days	>365 days	Total
Creditors	£	£	£	£	£	£	£
value accrued at year end	(4,870,917)						(4,870,917)
less: amounts paid by 31 May 2020	4,494,925						4,494,925
amounts accrued still outstanding	(375,991)						(375,991)
Debtors							
value accrued at year end	13,237,576						13,237,576
less: amounts paid by 31 May 2020	(6,214,170)						(6,214,170)
amounts accrued still outstanding	7,023,406						7,023,406

3.5 At the end of 2019/20, £8.367m was accrued (£13.328m Debtors minus £4.871m Creditors) – leading to a net debit/cost in 2020/21 where they have reversed. As at P2, 92% of all creditor accruals have been matched and 47% of debtor accruals have been matched, leaving a net balance of £6.647m left to be matched.

4 Dedicated Schools Grant

- 4.1 The DSG budget is currently being reviewed to align to 2019/20 outturn and ensure full reflection of budget holder expectations. However, this is complex and affects a number of internal and external partners, and so has not yet been completed.
- 4.2 For month 2, the forecast represents roughly what the budget should look like as part of the initial estimate. This links into the above point regarding the requirement for a budget realignment.
- 4.3 The table below shows the forecast as at month 2:

Table 19 Dedicated Schools Grant Month 2

Budget	Month 2 Forecast Outturn after reserve movements	Month 2 variation to revised budget
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	£'000	£'000	£'000
Expenditure			
Schools:			
- Individual Schools Budget	141,289	142,941	1,652
- Growth Fund	2,118	2,545	427
- Central schools expenditure	1,174	1,087	(87)
- ESG retained funding	6,816	1,054	(5,762)
Sub-total	151,397	147,627	(3,770)
Early Years Block	29,028	29,304	276
High Needs Block	46,719	49,391	2,672
Sub-total	75,747	78,695	2,948
Total	227,144	226,322	(821)
Income			
DSG Income	(227,143)	(226,322)	821
DSG c/f	0	0	0
Total	(227,143)	(226,322)	821
Net DSG	0	0	

5 Capital Programme

- 5.1 The capital forecast outturn for 2020/21 capital investment programme is £475.376m, of which £392.182m relates to the General Fund programme and £83.194m relates to the HRA capital programme.

Table 20 Capital Forecast Outturn

Service Area	2020/21 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2020/21 Forecast Outturn £000	Variance from Approved Budget £000	Expenditure to date £000
Adults and Health	3,877			3,877		16
Children's Family Services	18,233		2,041	20,274	2,041	757
Growth and Corporate services	176,503	(3,008)	(17,257)	156,238	(20,265)	12,139
Environment	32,786		740	33,526	740	393
Brent Cross	168,043			168,043		(7,517)
Regional Enterprise (Re)	16,381		(3,724)	12,657	(3,724)	(7)
General Fund Programme Total	415,823	(3,008)	(18,200)	394,615	(21,208)	5,781
HRA	103,285	(1,782)	(18,204)	83,299	(19,986)	13,675
Grand Total	519,108	(4,790)	(36,404)	477,914	(41,193)	19,456

- 5.2 The key issues and variances for each service area are summarised below.

- 5.3 **Adults and Health** – Month 2 is forecasting a breakeven position at present. Further work is required to substantiate the position; however, the service is not expecting an adverse material risk to appear.

- 5.4 **Children's and Family Service** – The capital programme is accelerating spend by £2.041m by moving budget already approved from future years into the current year. There is no overall increase to the overall approved 2020/21-2024/25 P&R budget. Since finalisation of M2 figures, P&R have agreed further changes to the CFS capital programme which will be reflected in both the budget and the forecast in the M3 report.
- 5.5 **Growth and Corporate services** – The capital programme has a total budget of £177m in 2020/21, of which we are forecasting spend of £156m and an underspend of £20.2m. Of this underspend, £17.2m is expected to be slipped into 2021/22 and £3m is expected to be removed from the programme. The significant contributors to the forecast underspend can be summarised as follows:
- £10.090m new build housing (Open Door) as a result of construction delays
 - £3.880m micro site development for affordable homes, again as a result of construction delays
 - £2.470m modular homes building as a result of construction delays
 - £1.9m for the development of empty properties as a result of construction delays
- 5.6 **Environment** – the capital programme for environment has accelerated spend of £0.740m. This is made up of:
- Data Works Management System: £0.091m slippage based on current implementation plan.
 - Vehicles: £3.846m slippage reported as at Month 2. Projection Includes the orders placed for 12 RCVs to be delivered in Q2 and 31 RCV to be delivered in Q3/4. Additional £1m for Passenger Transport Services and streets vehicles; projection subject to change due to fleet replacement programme.
 - LED Lighting: £2.8m accelerated spend due to project to be fully completed in 20-21. The project is being partially funded from a Salix loan which will be repaid after the project completes.
 - Highways (permanent re-instatement) Highways DLO Footway Improvement, accelerated spend of £0.300m accelerated spend.
 - At month 2 £0.665m is expected to be slipped against Colindale parks and open spaces, project has been delayed due to COVID so expected to start on site in Q4.
 - Regional Enterprise (Re) Highways - At Month 2 accelerated spend of £2.242m has been reported, this mainly consists of £1.694m against highways NRP phase 2 as this was accelerated at the end of 19/20 therefore the 20/21 budget needs to be in line with the current programme of works, and £0.548m against carriageways for in year projects including match funding required for electric vehicle charging points, therefore the full budget is expected to be utilised this financial year
- 5.7 **Brent Cross** - The 2020/21 forecast is matched to budget due to realigning the scheme budgets appropriately within the overall programme
- Funding for Land Acquisition is inclusive of the latest property cost estimates and currently shown on budget. It is expected that all properties forecast will be acquired in 2020/21 however there could be some in-year delays in completions due to the impact of COVID-19. Three properties and a hardship case are in the process of being acquired
 - Thameslink Station 2020/21 budget has been reprofiled for the current financial year. The TOC & Sidings elements of the programme are now complete whilst the Waste Station Tender is currently out to OJEU. The forecast is on budget at present for 2020/21.
 - Critical Infrastructure 2020/21 budget has also been realigned to expenditure in the current year. At present the overall scheme is forecast on budget. BXS JVLP expenditure is profiled in line with the updated infrastructure works, mitigation measures within Plots

53/53 and Southern Junction have resulted in potential savings offsetting land purchase pressures incurred in 2019/20

- 5.8 **Regional Enterprise (Re)** – At Month 2 slippage of £3.724m has been reported, this mainly consists of the following £1.783m slippage against Colindale - Highways & Transport as there is no project plan in place due to COVID-19. Projected spend for planning costs for larger schemes in future years; and £1.941m against Grahame Park - Community Facilities. This project is 100% affordable as the project is not relying on the market, therefore no COVID impact. Projection based on £0.160m for refurbishing existing health facility, and £0.020m fees. The remaining to be used on the new health facility in the next 3-4 years.

HRA Capital Investment

- 5.9 The HRA has a capital expenditure budget of £103.285m in 2020/21, of which we are currently forecasting to spend £83.299m which is a £19.986m underspend. Of this underspend, £18.204m is expected to be slipped into 2021/22 whereas £1.782m is expected to be removed from the programme. The significant variances to budget can be summarised as follows:

- £9.2m Barnet Homes GLA development underspend in 2020/21
- £7.6m Extra Care (Stag & Cheshire) underspend in 2020/21
- £3.2m new build 250 units underspend in 2020/21
- £2.8m HRA fire safety programme overspend in 2020/21

The underspends overall are largely as a result of delayed construction work.

Funding of the Capital Investment Programme

- 5.10 The composition of capital funding is detailed in the table below. The level of funding from Capital receipts, Revenue/ Major Repairs Allowance (MRA) and Community Infrastructure Levy (CIL) funding remain broadly the same as the previous period.

Table 21 Funding the Capital Programme 2020/21

Service Area	Grants/ Other contributions £000	S106 £000	Capital Receipts £000	Revenue/ MRA £000	CIL £000	Borrowing £000	Total £000
Adults and Health	2,000	0	390	0	1,110	377	3,877
Children's Family Services	16,477	4	715	0	297	2,781	20,274
Growth and Corporate services	150	3,538	13,443	491	69	138,546	156,238
Environment	59	3,398	2,314	440	8,498	18,817	33,526
Brent Cross	154,000	0	0	0	0	14,043	168,043
Regional Enterprise (Re)	0	893	0	0	3,014	8,750	12,657
General Fund Programme	172,686	7,833	16,862	931	12,988	183,315	394,615
HRA	4,984	0	8,177	33,233	0	36,905	83,299
Total Capital Programme	177,670	7,833	25,039	34,164	12,988	220,220	477,914

6 Debtors

- 6.1 Between April 2020 and May 2020 overall debtors increased by £1.803m. An analysis of debtors as at the 31 May 2020 is provided below at Table 22 and 23. It should be noted that this information is a snapshot as at that date and the position will change daily.

6.2 Overdue debtors (up to 30 days and older) as at 31 May 2020 was £30.642m an increase of £6.541m for the same period in 2019 where the outstanding balance was £24.101m.

Table 22 Aged Debt Analysis as at 31 May 2020

Debtor	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000	Total Debt £000
Month 2	2,461	1,550	5,788	6,637	16,666	33,102
Month 1	816	6,531	8,046	4,038	11,868	31,299
Movement	1,645	-4,981	-2,258	2,599	4,798	1,803

6.3 Table 23 gives detail of the top ten individual debts by debtor, totalling £19.473m.

Table 23 Top 10 debtors as at 31 May 2020

Debtor	Total Debt £000	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000
NHS Barnet CCG	11,188	0	20	1,153	4,370	5,646
Mott Macdonald Ltd	2,075	0	29	771	101	1,174
The Barnet Group	1,806	2	22	1,787	47	-52
The Fremantle Trust	1,357	0	0	0	57	1,300
Comer Homes	993	0	0	0	0	993
Hasmonean High School	655	0	0.402	654	0	1
Regional Enterprise Ltd	454	0	105	0	0.378	349
London Borough of Ealing	442	0	0	247	0	195
Metropolitan Police Service	303	0	238	0	0	65
NHS Islington CCG	200	0	200	0	0	0
Total	19,473	2	614	4,611	4,575	9,670

6.4 NHS Barnet have paid £812k in period 3.

6.5 Mott Macdonald have paid £1.649m in period 3.

6.6 The Barnet Group have paid £122k in period 3.

6.7 There has been no recent activity with the Fremantle Trust owing to Adults prioritising Covid-19 related work.

6.8 Estates had agreed to hold the Comer Homes debt until June. There has therefore been no movement with this debt in period 2.

6.9 There has been no action with the Hasmonean High School debt during period 2.

6.10 Ealing have agreed to pay £247k and receipt of this payment is being monitored. The older £195k is still being discussed.

6.11 There has been no update to the Met Police debt during period 2.

6.12 NHS Islington debt remains outstanding. Discussion will open with service area during period 3.

6.13 It should be noted that the Accounts Receivable team had been redeployed since the outbreak of Covid-19 only returning to their substantive posts on 8 June 2020. Activity on outstanding debts will now recommence albeit using the agreed soft approach.