

1. EXECUTIVE SUMMARY

Overall for Assurance, P3 is forecasting a £0.281m overspend against a £7.312m 2020/21 net expenditure budget. The overspend is mainly driven by Assurance Management, Counter Fraud Operations and Community Safety as detailed below;

	£
Assurance Management	24,985
Counter Fraud Operations	50,000
Community Safety	221,000

The budget received a (£0.671m) reduction in 20/21 due to MTFs savings, a £0.141m increase in pay and non-pay inflation and a £0.221m increase due to pressures funding. The net result is a (£0.309m) reduction in budget going into 2020/21.

The current value of actuals as at P3 is £2.428m which represents 33% of the net annual budget. This figure includes General and EU Election expenditure in General Elections which will be government funded.

A summary of the forecast 2020/21 outturn position is summarised as follows:

Service Areas	Revised Budget	2019/20 Outturn	P3 Actuals	Forecast Outturn	Budget Variance	Change in Budget Variance
Assurance Management	829,000	859,387	160,047	853,985	24,985	24,985
Assurance & Business Development	606,110	583,910	135,379	597,999	(8,111)	(16,318)
Counter Fraud Operations	346,536	422,957	176,055	396,536	50,000	50,000
Electoral Service	819,154	953,713	320,103	824,112	4,958	-
Governance	2,240,328	2,062,220	485,076	2,240,328	-	-
Internal Audit	383,250	371,217	142,139	383,250	-	-
Organisational Resilience	420,250	419,644	199,711	419,337	(913)	-
Legal Advice and Monitoring	10,682	(142,322)	319,344	-	(10,682)	(10,682)
Community Safety	1,656,590	1,820,353	490,184	1,877,590	221,000	93,093
GRAND TOTAL	7,311,900	7,351,077	2,428,038	7,593,137	281,237	141,078

The forecast overspend of £0.281m includes £0.285m of COVID-19 related pressures and these have been summarised in the detailed projections under CAFT, Community Safety and Assurance Management.

2. RESERVES

Opening Reserve balances for 20/21 are shown below:

Service Area	Cost Centre	Reserve Title	Opening Balance (01/04/2020)	Top up / (Drawdown)	Forecast Closing balance (31/03/2021)
Electoral Service	Municipal Elections	Local Elections Reserve	306,735	150,000	456,735
Counter Fraud Operations	CAFT	Corporate Anti-Fraud Team Reserve (CAFT)	151,607	-50,000	101,607
GRAND TOTAL			458,342	100,000	558,342

The P3 forecasts include a £0.150m contribution to the Local Elections reserve. This reserve received a lower contribution than planned in 19/20 due to additional staff on-costs being identified dating back to 2017/18 and 2018/19, however, the reserve is now at sufficiently prudent levels to support future elections.

The P3 forecast includes a £0.050m forecast drawdown from the CAFT reserve to fund the lost POCA and formal cautions income as a result of COVID-19.

3 MTF S SAVINGS

The following three MTF savings have already been built into the 2020/21 budget

New Line Ref	Department	Opportunity Area	Description of saving	2020/21	Committee
				£000	
Assurance	Assurance & Governance	Paperless committees (subject to robust digital infrastructure in place - hence implement in 2020/21)	(68)	P&R	Assurance
Assurance	Assurance & Governance	Stop funding of printer cartridges as part of digitisation	(3)	P&R	Assurance
Assurance	Assurance & Governance	Make CAFT team cost neutral through increase income generation incl expansion of sold service to OLAs	(100)	P&R	Assurance
Environment		Savings from Fixed Penalty Notice littering contract.	(76)	Env	Environment
Public Health	Service Transformation and demand management	Sexual Health Services - London-wide sexual health transformation including on line testing offer, channel shift and decreased attendances to clinics outside the contract as well as better focus on prevention. The Delegated Powers Report can be found here: https://barnet.moderngov.co.uk/documents/s51443/Delegated%20Powers%20Report%20-Sexual%20Health%20service.pdf	(100)	PH	Public Health
Public Health	Service Transformation	Healthy Child Programme - redesigning support for teenage parents.	(324)	PH	Public Health

The above savings totalling £0.671m were applied to Governance (£0.068m), Members Allowances (£0.003m), CAFT (£0.100m) and community safety (£0.500m). all of which are projecting balanced positions at month 2 so the savings can be considered achieved at this point dependent on CAFT income.

Community Safety attracted MTF savings of (£76k) and (£424k) for Public Health. The Public Health budget reduction will be replaced by a drawdown from Public Health funding the Community Safety saving is projected to be achieved.

4 RISKS AND OPPORTUNITIES

Gaining a better understanding of the HBPL legal income could present an opportunity to build a reserve to fund unplanned Corporate legal expenditure.

CAFT is attracting the majority of currently planned MTF savings (excluding community safety) as well as being heavily reliant on both internal and external income and contributions so presents an operational risk if income targets are not achieved.

There is a risk of on-going pressures in Community Safety as the area has taken on an unachievable saving in the form of the agency top-slice and is projecting a short-fall in income which makes up a large portion of its budget.

Internal Audit currently has staff redeployed due to COVID-19 and these posts are being backfilled by PwC Audit so there is a risk of eventual overspend in this area dependant on how long those measures remain in place.

There is now a risk of the Paperless Committees MTF saving not being fully achieved due to hard copies of agendas and other documents being distributed to Members in support of virtual meetings. The courier costs which make up the bulk of the saving have now been greatly reduced, however, if current procedures continue then the expected reduction in printing costs will not be possible.