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THE CABINET

**Wednesday, 9th March, 2022 at 7.15 pm in the Conference Room,
Civic Centre, Silver Street, Enfield, EN1 3XA**

Membership:

Councillors : Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader of the Council), Rick Jewell (Cabinet Member for Environment), Nneka Keazor (Cabinet Member for Community Safety & Cohesion), Guney Dogan (Cabinet Member for Commercial Services), Mary Maguire (Cabinet Member for Finance & Procurement), Alev Cazimoglu (Cabinet Member for Health & Social Care), George Savva MBE (Cabinet Member for Licensing & Regulatory Services), Gina Needs (Cabinet Member for Social Housing), Mahtab Uddin (Cabinet Member for Children's Services), Ahmet Hasan (Associate Cabinet Member (Enfield North)), Mustafa Cetinkaya (Associate Cabinet Member (Enfield South East)), Katherine Chibah (Associate Cabinet Member (Enfield West)) and Ergin Erbil (Associate Cabinet Member (Non-geographical based))

Associate Cabinet Members

Note: The Associate Cabinet Member posts are non-executive, with no voting rights at Cabinet. Associate Cabinet Members are accountable to Cabinet and are invited to attend Cabinet meetings.

Mustafa Cetinkaya (Associate Cabinet Member – Non Voting), Katherine Chibah (Associate Cabinet Member – Non Voting), Ergin Erbil (Associate Cabinet Member – Non Voting) and Ahmet Hasan (Associate Cabinet Member – Non Voting)

NOTE: CONDUCT AT MEETINGS OF THE CABINET

Members of the public and representatives of the press are entitled to attend meetings of the Cabinet and to remain and hear discussions on matters within Part 1 of the agenda which is the public part of the meeting. They are not however, entitled to participate in any discussions.

AGENDA – PART 1

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members of the Cabinet are invited to identify any disclosable pecuniary, other pecuniary or non pecuniary interests relevant to items on the agenda.

3. DEPUTATIONS

To note, that no requests for deputations have been received for presentation to this Cabinet meeting.

4. MINUTES (Pages 1 - 14)

To confirm the minutes of the previous Cabinet meeting held on 16 February 2022.

5. QUARTERLY REVENUE MONITORING 2021/22 QUARTER 3 (Pages 15 - 72)

A report from the Executive Director Resources is attached. **(Key decision – reference number 5351)**

6. SCHOOLS CAPITAL PROGRAMME 2022-23 (Pages 73 - 86)

A report from the Executive Director People is attached. **(Key decision – reference number 5383)**

7. MERIDIAN WATER : APPOINTMENT OF RAIL MAIN CONTRACTOR (Pages 87 - 118)

A report from the Executive Director Place is attached. **(Key decision – reference number 5311)**

8. CABINET AGENDA PLANNING - FUTURE ITEMS (Pages 119 - 120)

Attached for information is a provisional list of items scheduled for future Cabinet meetings.

9. DATE OF NEXT MEETING

To be confirmed.

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CABINET - 16.2.2022

**MINUTES OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 16 FEBRUARY 2022****COUNCILLORS**

PRESENT Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader of the Council), Rick Jewell (Cabinet Member for Environment), Nneka Keazor (Cabinet Member for Community Safety and Cohesion), Guney Dogan (Cabinet Member for Commercial Services), Mary Maguire (Cabinet Member for Finance and Procurement), George Savva MBE (Cabinet Member for Licensing and Regulatory Services), Gina Needs (Cabinet Member for Social Housing), Mahtab Uddin (Cabinet Member for Children's Services), Ahmet Hasan (Associate Cabinet Member for Enfield North), Mustafa Cetinkaya (Associate Cabinet Member for Enfield South East) and Ergin Erbil (Associate Cabinet Member - Non-geographical)

ABSENT Alev Cazimoglu (Cabinet Member for Health and Social Care) and Katherine Chibah (Associate Cabinet Member for Enfield West),

OFFICERS: Fay Hammond (Executive Director Resources), Sarah Cary (Executive Director Place), Anne Stoker (Director of Children's Services), Matt Bowmer (Interim Director of Finance) and Terry Osborne (Interim Director of Law and Governance) Jane Creer (Secretary)

Also Attending: Local press representative and officers observing

1**APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Alev Cazimoglu and Katherine Chibah, and from Ian Davis, Chief Executive (represented by Fay Hammond, Acting Chief Executive), and Tony Theodoulou, Executive Director – People (represented by Anne Stoker, Director Children and Family Services).

Apologies for lateness were received from Councillor Ergin Erbil.

Terry Osborne was welcomed and introduced as Interim Director of Law and Governance.

2**DECLARATIONS OF INTEREST**

There were no declarations of interest.

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It was confirmed that there was no member in arrears on their council tax.

**3
DEPUTATIONS**

NOTED that no requests for deputations had been received for presentation to this Cabinet meeting.

**4
MINUTES**

AGREED that the minutes of the previous meeting of the Cabinet held on 19 January 2022 be confirmed as a correct record.

**5
BUDGET REPORT 2022/23 AND MEDIUM-TERM FINANCIAL PLAN
2022/23 TO 2026/27**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director Resources setting out the Revenue Budget and Council Tax for the 2022/23 financial year, and updating the Council's Medium Term Financial Plan (MTFP) in the light of those decisions.

NOTED

1. This was a balanced and resilient net revenue budget of £259.825m for the coming financial year, a 0.18% decrease when compared with 2021/22. It contained additional investment in priority services.
2. Residents were facing raised costs of living currently and the Council was doing what it could to help and recommending a freeze on core Council Tax.
3. The national context, inflationary pressures, and local demographic pressures in demand-led services were highlighted.
4. Grant funding was detailed. No further resources to help manage the cost pressures arising from Covid-19 were expected beyond this year.
5. Table 18 in the report gave a summary of forecast reserves.
6. The report also contained information in respect of the Dedicated Schools Grant and of review of fees and charges.
7. The budget enabled delivery on the commitments made in the Fairer Enfield Policy 2021.
8. Budget engagement had been open until 11 February and detailed analysis would be reported to Council.
9. Attention was drawn to the statement of the Council's Section 151 Officer on the robustness of budget estimates and adequacy of the reserves.
10. Councillor Barnes raised the green and climate action aspects of the budget, with investment in programmes to deliver reductions in carbon emissions and improve resilience to climate change.
11. Councillor Uddin provided an update in respect of children's services, confirming an increase in resources to meet increased demand. Adults'

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social care was similarly noted as demand-led and facing a high amount of pressure.

12. The support of the Executive Director – Resources as Section 151 Officer, having undertaken a review, that the budget was resilient and robust and the level of reserves appropriate to meet risks.
13. The Chair’s comments on the administration’s approach that budget setting should be resilient and fair, with investment for future generations, and protection of the most vulnerable residents. There would be investment in services which residents valued.
14. Everyone involved in the budget process, particularly officers in Resources and Cabinet members, were thanked for their hard work.

Alternative Options Considered:

The Council operates a budget planning and consultation process during which a wide range of options are considered in detail before recommendations are made. Issues raised and discussed have greatly contributed to the report including information from the Budget Engagement exercise set out in the report. As part of its planning for both 2022/23 and future years the Council has considered future levels of Council Tax.

DECISION: The Cabinet agreed to:

1. Note that
 - i. The budget is in a balanced position for 2022/23, however, this has required the one off use of reserves of £2.000m.
 - ii. The total costs of Covid-19 in 2022/23 are estimated to be £6.339m; this will be funded from the £10m reserve which has been created to fund ongoing Covid-19 costs. At this stage the sector is not anticipating any further funding from the Government in respect of Covid-19.
 - iii. Government funding assumptions continue to rely on Council Tax as a key source of funding for Adult Social Care through the Precept.
 - iv. The wider London Business Rate pool is not going ahead for 2022/23 due to uncertainty over whether participation would be financially beneficial for members. Enfield will however be joining a smaller pool of 8 authorities to pool business rates for 2022/23. This decision was approved by Cabinet on 13 October 2021. Members of the pool are: City of London, Barnet, Brent, Enfield, Hackney, Haringey, Tower Hamlets and Waltham Forest. The potential one-off benefits from the Pool will be realisable circa August 2023 and nothing is built into the MTFP at this stage.
2. Recommend to Council
 - i. With regard to the Revenue Budget for 2022/23 to recommend to Council to set the Council Tax Requirement for Enfield at £139.361m in 2022/23; and
 - ii. Recommend to Council to set the Council Tax at Band D for Enfield’s services for 2022/23 at £1,446.12, being a 0.00% general Council Tax increase and a 1.00% Adult Social Care Precept.

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3. Recommend to Council to agree the Medium Term Financial Plan, including:
 - i. The pressures set out in Appendix 1a of the report totalling £22.009m in 2022/23 (excluding the Covid-19 reversals of 13.894m), which include:
 - a. £3.188m for Demographic pressures within Adults and Children's Social Care and SEN Transport to reflect growing demand in these areas.
 - b. £8.024m of Inflation and pay award funding
 - ii. £3.438m investment in transformation funded by the flexible use of capital receipts.
 - iii. full year effects of reversals of one-off prior year savings and income totalling £0.705m set out in Appendix 2a of the report.
 - iv. the savings of £5.856m and income proposals of £2.840m in 2022/23 set out in Appendix 2b of the report.
 - v. adopt the key principles set out in the Medium Term Financial Plan section of the report (paragraphs 219 to 224).
 - vi. note the £1.020m for Capital Financing included within the pressures figure to invest in proposals to deliver long term benefits to the Borough. £10.111m is set aside for Capital Financing over the lifetime of the MTFP.
4. Recommend that Council agrees the planned flexible use of capital receipts in 2021/22 being £1.501m and approves the planned flexible use of capital receipts in 2022/23, being £3.438m (paragraphs 181 to 182 and Appendix 3 of the report).
5. Recommend that Council agrees the Schools Budget for 2022/23 (paragraphs 183 to 205 and Appendix 4 of the report).
6. Recommend to Council to agree the changes in Fees and Charges for 2022/23 as set out in paragraph 178 and Appendices 11 to 14 of the report and to note the Leader Decision report in January recommended to Council to delegate authority to Executive Directors and Directors to negotiate discounts and make in year amendments where appropriate.
7. Recommend to Council to delegate authority to the Executive Director of Resources in consultation with the Lead Member for Finance & Procurement in respect of any actions arising from the Government's recent announcement regarding the award of £150 Council Tax rebates and discretionary support (see paragraphs 70 to 73 of the report).
8. Note the gap remaining in the MTFP for 2023/24 of £13.295m; and of £45.600m for the period 2023/24 to 2026/27 and the actions being taken to address this challenging position.
9. Recommend that Council agrees that the New Homes Bonus funding of £0.172m is applied as a one-off contribution to the General Fund in 2022/23.
10. Note Council will be provided with full feedback from the Budget Engagement at Appendix 5a of the report.
11. Note the minutes of the Overview and Scrutiny Committee Meeting on 12 January 2022 which are set out in Appendix 5b of the report.

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12. Note that the delivery of the saving for digitalisation/decentralisation of MEQ & Complaints Team responsibilities will require members to utilise the new digital self-serve MEQ reporting system.
13. With regard to the robustness of the 2022/23 budget and the adequacy of the Council's earmarked reserves and balances to:
 - i. note the risks and uncertainties inherent in the 2022/23 budget and the MTFP (paragraphs 225 to 229) and agree the actions in hand to mitigate them;
 - ii. note the advice of the Executive Director of Resources regarding the recommended levels of contingencies, balances and earmarked reserves (paragraphs 230 to 236 and Appendix 8a) and have regard to the comments of the Director of Finance (paragraphs 256 to 258) when making final decisions on the 2022/23 budget; and
 - iii. agree the recommended levels of central contingency and general balances (paragraphs 230 to 236).

Reason:

To set the Council's Budget Requirement and level of Council Tax for 2022/23 within the timescales set out in legislation. The Council has a statutory duty to approve a balanced budget for 2022/23 along with consideration of the finances over the medium term and the Council's reserves and balances. It is essential that there is a clear understanding of the anticipated income and expenditure flows for the Council, despite the uncertainties, and for savings proposals to ensure full delivery from 1 April 2022 wherever possible to maximise their contribution to addressing the financial pressures in 2022/23 and beyond.

(Key decision – reference number 5352)

6

CAPITAL PROGRAMME 2022/23 TO 2031/32

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director Resources setting out the Ten Year Capital Programme 2022/23 to 2031/32.

NOTED

1. The programme was based on the Capital Strategy approved by Council on 22 September 2021, supporting the delivery of the Council's corporate objectives.
2. The ten year cycle improved strategic planning with greater transparency and alignment with the Treasury Management Strategy and MTFP.
3. The investment plans were summarised, in particular for housebuilding.
4. The overall programme had decreased by £92.2m from last years. Key reductions in the programme were reported, including the requirement for Joyce & Snells.

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5. The Capital Programme financing was set out in Chart 2 in the report. Borrowing was regulated by the Prudential Code. Debt was kept to an affordable level, and within the Council's self-imposed borrowing cap.
6. The Development and Infrastructure Financial Framework (DIFF) was developed to strengthen the approval of new capital projects and improve data.
7. An overview of the programme was provided in Table 1, and the funding summary in Table 2.
8. Information on debt charges and on grants and contributions was also included in the report.
9. Section 106 (s106) and Community Infrastructure Levy (CIL) income was highlighted.
10. The Chair raised the progress on the Meridian Water project, to which much of the borrowing was related, and the commitment to Joyce & Snells. Detailed analysis of the Capital Programme was included in appendices to the report.
11. Councillor Barnes raised the Dugdale refurbishment, and engagement with stakeholders in coming weeks on proposals.
12. The Executive Director Place noted the approach to allocation of s106 and CIL funding in the capital programme, which is in line with previous Cabinet decisions and enables contributions from development to be reinvested in the borough's community facilities and infrastructure.

Alternative Options Considered:

1. The Ten year capital programme and overarching capital strategy have been developed using the DIFF Financial Framework which guarantees fair and consistent consideration of all options available for the deployment of limited resources in the achievement of stated objectives.
2. A complete and robust consideration of all options has therefore been embedded in the development and refresh of the capital programme with input from a multi-disciplinary Capital Finance Board.

DECISION: Cabinet agreed to recommend to Council to:

Approve the 2022/23 Capital Programme and to note the 2023/24 to 2031/32 Ten Year Capital Programme as set out in Appendix 3 of the report.

Reason:

1. The Capital Programme establishes the budget framework and financial approvals for a wide variety of Council projects directed by the Corporate plan. The projects improve residents' lives by building homes and schools, improving streets and infrastructure, and creating modern workspaces for local businesses.
2. Over the coming ten years the proposed investment includes £852m for Meridian Water with construction work now underway on one site and construction to taking place across multiple sites from 2022/23; £1,100m for the Housing Revenue Account including delivering 3,500 new homes and investment in existing Council homes; £103m for Education and

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Schools which includes increasing our Special Educational Needs provision across the borough and £154m in respect of housing and renewable energy schemes through Council companies resulting in ongoing reduction in temporary accommodation costs to the Council's revenue budget and extended the heat network supporting the climate change strategy. Details and expected outcomes of these investments are provided from paragraph 84 of the report.

3. Additionally, it sets the 2022/23 to 2031/32 Capital Programme based on the 2022/23 Capital Strategy approved by Council on the 22nd September 2021, which required the capital programme to remain affordable by keeping within the self-imposed borrowing cap of £2bn.
4. As at 31 March 2021 the underlying need to borrow, as measured by the Capital Financing Requirement (CFR) was forecast to reach £1.985bn by the end of 2030/31.
5. This has been refreshed as part of the 2022/23 Treasury Management Strategy and the forecast position for the end of 2031/32 is £1,799m. The primary reason for the reduction is explained in paragraph 53 of the report.
6. Council approved the use of five priorities in the Capital Strategy to ensure the capital programme remains within the debt cap whilst also considering the Council's key strategic objectives. The programme is prioritised based on the following:
 - Priority 1 – Fully grant funded
 - Priority 2 – Statutory /Health and Safety
 - Priority 3 - Medium term Financial Savings
 - Priority 4 - Match funding
 - Priority 5 – Other priorities aligned to the Council's strategic priorities.
7. Longer term financial planning has become more important as the Council's capital programme becomes larger and more complex. Reporting on a rolling ten year basis facilitates the Council's understanding of the impact of the capital investment being made on the level of borrowing and revenue budgets reported as part of the 2022/23 to 2026/27 MTFP.

(Key decision – reference number 5353)

7

HRA BUDGET 2022/23, RENT SETTING AND BUSINESS PLAN UPDATE

Councillor Gina Needs (Cabinet Member for Social Housing) introduced the report of the Executive Director Place and Executive Director Resources setting out the proposed Housing Revenue Account (HRA) 30-Year Business Plan, the detailed HRA Revenue Budget for 2022/23, the ten-year Capital Programme and Right to Buy (RTB) One for One Receipts programme.

NOTED

1. The proposed rent charges for HRA properties 2022/23 were set out, with a 4.1% increase, following the Government's Social Housing Rent Standard.

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2. The proposed tenants service charges were set out in para 30 to 33 of the report, increased in line with the costs of providing the services.
3. In respect of heating charges, further work would continue with the energy provider.
4. Garage charges and HRA community hall charges would increase in line with inflation.
5. The Customer Voice group of residents were understanding of the need to make increases.
6. This was a fair and robust budget.
7. The Chair welcomed the investments in respect of fire safety and demonstration of the Council's commitment. The GLA grant also showed that the local authority was a trusted delivery partner.
8. In response to Councillor Barnes' queries regarding flytipping, recent penalties were noted, and that the majority of flytipping was not from estate residents.

Alternative Options Considered:

Not applicable.

DECISION: The Cabinet agreed to:

1. Recommend to Council to approve the HRA 30-Year Business Plan shown in Appendix 1 of the report.
2. Recommend to Council to approve the detailed HRA Revenue Budget for 2022/23 as shown in paragraph 77.
3. Recommend to Council to approve the 10-year HRA Capital Programme of £1,121m and borrowing requirements to deliver 3,500 council led homes.
4. Recommend to Council a rent increase of 4.1% (CPI + 1%) in line with Government guidelines noting the social and affordable rent levels for circa 10,484 HRA properties in 2022/23.
5. Recommend to Council to approve the level of service charges for 2022/23 for those tenants and leaseholders receiving eligible services.
6. Recommend to Council to approve the charges for garages and parking bay rents as set out in paragraph 64.
7. Recommend to Council to approve the charges for community hall hire, including a deposit system, and delegate authority to the Director of Housing and Regeneration in consultation with the Cabinet Member of Social Housing to review and implement a new policy with a view to a more flexible charging system in appropriate circumstances.
8. Approve entering into the GLA grant agreement as part of the Affordable Housing Programme 21/26 and acceptance of the successful GLA grant bid of £166.5m and for starts from 2023 to 2028.
9. Note the heating charges for 2022/23 for those properties on communal heating systems (both electric and gas), including a mid-year review to understand the impact of the energy contract renewal which will apply from September.
10. Approve the establishment of 4 posts in the 2022/23 revenue budget to support the Building Safety requirements of our high-rise blocks. To note

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- the Housing Team will be progressing with resident engagement on the introduction of a new service charge in 2023/24 in relation to these costs.
11. Approve that Enfield, as one of the ten Constituent Authorities of the LHC (London Housing Consortium) Joint Committee, withdraws from the LHC Joint Committee, resulting in its potential disbandment in December 2022 at the earliest. This means that the LHC will no longer be an outside body subject to council nominations.

Reason:

This report is presented to Council on annual basis for the following reasons:

- i To ensure that a balanced 30-Year HRA Business Plan is approved by Council.
- ii To ensure that the HRA Budget is set by the Council and that this budget does not put the HRA into deficit.
- iii To set the affordable and social rent and service charge levels for HRA properties, in line with the Governments Social Housing Rent Policy. This decision must be taken early enough for the tenants to be advised of the change at least 4 weeks prior to the date of that change.

(Key decision – reference number 5354)

8

TREASURY MANAGEMENT STRATEGY 2022/23

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director Resources setting out the Council's proposed Treasury Management Strategy Statement (TMSS) for the period 2022/23 to 2031/32, and Annual Investment Strategy (AIS) for the year ended 31 March 2023, together with supporting information.

NOTED

1. The Treasury Management Strategy Statement (TMSS) for 2022/23 was attached as Annex 1 to the report. Within it were also interest rate forecasts.
2. The Council's strategy was set out in respect of ensuring that capital investment plans were prudent, affordable and sustainable, that cash flow was properly planned, and that cash balances were appropriately invested to generate optimum returns. It linked to the Ten Year Capital Programme and the Council's plans for the borough.
3. The CIPFA Treasury Management Code of Practice and CIPFA Prudential Code for Capital Finance set out requirements for local authorities' capital investment plans. It was confirmed that Enfield Council did not borrow to invest 'primarily for financial return'.
4. Publication of the TM Guidance Notes for Local Authorities was awaited with details of the TM prudential indicators.

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5. Enfield Council's funding came from a variety of sources, including external borrowing, and other funding opportunities continued to be sought.
6. The Chair noted that the TMSS helped with management of investments and borrowing, long term vision, and support for good decision making, and that there was independent scrutiny and advice from professional advisers. It was updated annually.
7. The Executive Director Resources confirmation that there was independent assurance that the Council's plans were compliant and prudent. She confirmed that the Council would limit itself to a borrowing cap and in practice maintain a gap below it.

Alternative Options Considered:

The CIPFA TM code require that the Council establishes arrangements for monitoring its investments and borrowing activities hence the performance and activities of the Council's treasury operations is being reported to this Committee on a regular basis.

DECISION: The Cabinet agreed to:

1. Review the Draft Treasury Management Strategy and consider the five areas below:
 - i. Agree the Treasury Management Strategy Statement for 2022/23 and to note the Ten Year Treasury Strategy forecast;
 - ii. Note the Economic context & Interest rate forecast (Appendices A and B);
 - iii. Agree the Prudential Indicators set out in Appendix D;
 - iv. Agree the Minimum Revenue Provision Statement (Appendix E); and
 - v. Agree Counterparty List and Limits set out in Appendix F.
2. Recommend Council to approve the Strategy.
3. Note General Purposes Committee will review the Treasury Management Practices annually and to receive quarterly Treasury Management monitoring reports.

Reason:

1. The Treasury Management Strategy fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the Treasury Management Code and the MHCLG Guidance.
2. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy and to mitigate these risks.
3. For 2022/23, the TMSS is in the same format as 2021/22 whereby it maintains the 10 year capital programme horizon extension which is beyond the required minimum. This reflects the Council's priority to ensure that revenue budgets are sustainable in the longer term. Due diligence has been carried out on the ten year capital programme projects; it should be

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recognised that these are provisional estimates, undertaken to inform and support the development of a robust, affordable and sustainable Treasury Strategy.

(Key decision – reference number 5355)

9

TENANCY STRATEGY

Councillor Gina Needs (Cabinet Member for Social Housing) introduced the report of the Executive Director Place seeking approval of a new Tenancy Strategy 2022-2025.

NOTED

1. The new strategy would replace the previous Tenancy Strategy 2018-2020.
2. The strategy had four objectives: that residents had a clear understanding of their tenancy; that lifetime tenancies were the preferred option; that residents were able to stay in their home for as long as it remained suitable for them; and if a tenancy ends, residents were supported to avoid homelessness.
3. The Council would trial the introduction of fixed term tenancies, of a minimum of 10 years, on homes of four or more bedrooms and specially adapted properties, as there were people in real need of such properties.
4. Registered providers were required to review their own Tenancy Policies within nine months in accordance with the strategy. There had been discussions with registered providers.
5. In response to Members' questions, it was confirmed that residents would be able to stay in their homes if it was the size and adaptation they needed, and for those whose need changed they would be supported to make informed choices. It was also confirmed there would be some changes to the Housing Team officer structure and improved contact with tenants.

Alternative Options Considered:

The previous Tenancy Strategy focused solely on matters to which registered social housing providers are to regard in formulating their policies on tenancies as listed in the Localism Act 2011, but did not also include good practice for all landlords in the borough. This approach was also initially considered when reviewing and drafting this strategy. However, the inclusion in the strategy of good practice for all landlords reflects the Council's role in improving housing outcomes for all residents, including those living in the private rented sector.

DECISION: The Cabinet agreed to:

1. Approve the new Tenancy Strategy.

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2. Agree to update the Council Housing Tenancy Policy, within nine months, in accordance with the new Strategy.

Reason:

1. The new Tenancy Strategy 2022-2025 will replace the previous Tenancy Strategy 2018 – 2020 and meet our requirement under the Localism Act 2011 to review and produce a strategy that sets out the matters to which Registered Housing Providers are to regard in formulating their policies on tenancies.
2. The new strategy reflects how we intend to use our formal powers and influencing role to set high standards for tenancies in the Borough so that Enfield residents live as healthily, safely, and independently as possible. It sets out requirements regarding lifetime tenancies for social housing and also recommends good practice for private landlords and letting agents in regard to the tenancy agreements they use.

(Key decision – reference number 5268)

10

SUSTAINABLE AND ETHICAL PROCUREMENT POLICY

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director Resources presenting the new Sustainable and Ethical Procurement Policy 2022-26 for approval by Cabinet.

NOTED

1. The policy reflected the Council's priorities, and focused on four priority areas: social value; ethical practices; supporting the local economy and local employment; and climate action.
2. The Council as a major purchaser of goods, services and works could use that power to enhance standards and lead the way.
3. There would be clear expectations for officers carrying out procurements.
4. The Council was committed to working towards the UNISON ethical care charter.
5. The policy had benefitted from extensive engagement, and there had been enthusiasm from suppliers.
6. In time, the preferred standards should be the minimum required.
7. In response to Members' queries, further assurance was given in respect of commitment to climate action and minimising carbon emissions and negative environmental impacts. It was also confirmed that staff directly employed by the Council were paid the London Living Wage or above, and that there was an ambition to only work with organisations who pay the London/Real Living Wage as soon as possible. The local authority should encourage local micro and small businesses, often run by those with BAME backgrounds, to engage in procurement with the Council.
8. The Chair welcomed the commitments on behalf of Cabinet.

Alternative Options Considered:

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The alternative option considered was to refresh the existing Sustainable Procurement Policy. However, with a new Council Plan, Fairer Enfield Policy, Modern Slavery Strategy and Climate Action Plan, it was considered timely and important for the Council to also make a commitment to ethical procurement and develop a new policy to reflect this.

DECISION: The Cabinet agreed:

1. The new Sustainable and Ethical Procurement Policy is agreed and adopted by Cabinet.
2. To delegate to the Executive Director of Resources, in consultation with the portfolio holder for Finance & Procurement, authority to manage and update the policy as part of the annual review.

Reason:

1. The new Sustainable and Ethical Procurement Policy 2022-2026 replaces our previous Sustainable Procurement Policy 2015-19. The new policy reflects refreshed organisational priorities as set out in our Council Plan 2020-22, Fairer Enfield Policy, Climate Action Plan and Modern Slavery Strategy.
2. The Council spends approximately £400m per year procuring goods, works and services. It is important that the Council leverages its purchasing power to secure and deliver wider benefits for the borough and its residents and ensure that the Council works with partners who uphold its values and standards.
3. The COVID-19 crisis has had a huge impact on Enfield's communities and placed significant pressure on Enfield's local economy and on the Council's budget, further highlighting the need to make the best use of resources to deliver wider benefits for the borough.

(Key decision – reference number 5291)

11

CABINET AGENDA PLANNING - FUTURE ITEMS

NOTED, for information, the provisional list of items scheduled for future Cabinet meetings.

12

DATE OF NEXT MEETING

NOTED the next scheduled meeting of the Cabinet on Wednesday 9 March 2022.

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London Borough of Enfield**Cabinet****9 March 2022**

Subject: Revenue Monitoring 2021/22: Quarter 3 (to 31 December 2021)

Cabinet Member: Cllr. Maguire, Cabinet Member for Finance & Property

Executive Director: Fay Hammond, Executive Director Resources

Key Decision: 5351

Purpose of Report

1. This Report sets out the Council's revenue budget monitoring position based on information to the end of December 2021. The report sets out the position and despite the impact of Covid-19 demonstrates that the Council has maintained progress on the journey of establishing a robust and resilient financial position prior to the outset of the pandemic.

Proposals

2. Cabinet is recommended to;
3. Note the adverse variance of £0.129m on the General Fund and £5.2m overspend in the Dedicated Schools Grant (DSG) forecasted revenue outturn position for 2021/22.
4. Note that the £3m contingency is no longer required to achieve the General Fund forecast outturn and therefore the planned drawdown from reserves of £1.927m will no longer be required and £0.944m will be added to the Council's reserves.
5. Note the Covid-19 impact of £44.191m which is expected to be funded by Government grants.
6. Approve the allocation of Covid-19 grant to support catch up provision for secondary schools costing £218k (allocated in Appendix G); and a further allocation of £300k to extend the approach to primary as well also funded from Covid-19 Grant.
7. Note the progress made on the journey to setting a robust and resilient budget.
8. Request Executive Directors continue to work with Cabinet Members to robustly manage the underlying budget position and implement savings, whilst managing, mitigating and minimising the Covid-19 financial impact.

9. It is recommended that Cabinet Members note the forecast level of reserves and implications for 2021/22 and challenging financial position over the life of the MTFP.

Reason for Proposals

10. To ensure that members are aware of the forecast outturn position, including the level of reserves for the authority, including all major variances which are contributing to the outturn position and the mitigating actions being taken and proposed to manage the financial position for 2021/22.

Relevance to the Council's Corporate Plan

11. The General Fund and DSG Outturn Report sets out how the Council has best used its limited resources to deliver the Council's objectives in 2021/22. These objectives are:
 - i. Good homes in well-connected neighbourhoods
 - ii. Sustain strong and healthy communities
 - iii. Build our local economy to create a thriving place

Background

12. On 2nd March 2021, the 2021/22 budget was set by Council. New savings of £7.7m and new income generation plans of £1.9m were agreed for 2021/22. Savings and income proposals agreed from previous years to be delivered in 2021/22 totalled £3.4m. As part of the aim to continue to place the budget in a more resilient position, in 2021/22 £29.4m of growth was included to reflect the demographic, inflationary, investment and capital financing needs.

Main Considerations for the Council

13. **General Fund Quarter 3 Forecast Outturn**
14. The Quarter 3 revenue budget forecast including the impact of Covid-19, Government support and the Council's response is an adverse variance of £0.129m, compared to the position reported in Quarter 2 of £0.465m (adverse). However, it should be noted, that unlike in Quarter 2 that this does not require the full use of the £3.0m corporate contingency to be achieved and therefore, the planned use of reserves of £1.927m to support the overall budget as set out in the Budget Report 2021/22 is no longer required and £0.944m can be added to the Council's reserves.
15. The key changes from Quarter 2 are due to a reassessment of the impact of Covid-19 on Children's Social Care and increase income forecasts and reduced SEN Transport spend in Place Department.
16. Executive Directors continue to work with Cabinet Members to robustly manage the underlying budget position and implement savings, whilst managing, mitigating and minimising the Covid-19 financial impact. The impact of Covid-19 on expenditure and loss of income is expected to be fully funded from Government grants in 2021/22 but these pressures are expected to continue into 2022/23 and will be addressed through the MTFP. This is set out in Appendix B; the report is set out as follows:

- i. Paragraphs 31 to 92 provide the underlying position in the General Fund as at Quarter 3 after £1.501m use of flexible capital are applied.
 - ii. Paragraphs 93 to 125 provides an update on the Covid-19 financial impact of £44.191m. It should be noted that this figure is the gross expenditure regardless of funding received. This includes for example the NHS hospital discharge expenditure, Infection control grant, new grants allocated this year and balances carried forward from 2020/21. The Government's response in terms of additional funding is highlighted in paragraph 22 to 23.
17. The budget includes a contingency of £3.0m which was set to manage unforeseen circumstances, however given the latest forecast position this will no longer be fully required to maintain a balanced position with the current forecasts. Executive Directors continue to work to manage the current position and reduce any pressures in order to minimise the call on the corporate contingency. The Pressure Challenge Boards will review the most significant pressure areas in order to provide corporate challenge as well as generating additional options to mitigate the pressures not only for this financial year but for future years also.
18. Each of the departments has generated a list of the key variances which are contributing to the projected outturn figures and are not resulting from the pandemic. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast adverse variance by implementing offsetting savings measures.
19. The Council continues to respond to the Covid-19 crisis ensuring that the community is supported as effectively as possible in very challenging circumstances. This continues to have a financial impact but as experienced in 2020/21 and reported in the outturn, the 2021/22 forecast impact of £44.191m is expected to be funded by Government grants.
20. There are range of Government Grants and these are set out in full in Appendix B of the report. This is £10.5m general support grant which has supplemented the Council's response. At the same time the Government has extended the support to help manage the loss of sales and fees and charges income for the first quarter of the year. Alongside these, the Government has made further specific ring-fenced funding available and these total £28.5m. This other funding includes the Contain Outbreak Management Fund, NHS discharge programme funding from the NHS, infection control, Local Support grant, Community Testing programme and Practical Support grant.
21. The £44.191m financial pressures the Council is facing as a result of the Covid-19 pandemic have been reported collectively and are not included in the department forecast positions. These pressures are covered in paragraphs 93 to 125 and detailed in Appendix G. It should be noted that these reflect gross expenditure incurred regardless of the funding source, e.g. the cost of hospital discharge is reimbursed by the NHS and both the expenditure and income are now reported gross.
22. This means that as at the Quarter 3 position the £10m specific Covid-19 earmarked reserve can remain on the balance sheet, which maintains the Council reserves and strengthens the Council's ability to manage the longer term effects of the pandemic moving into 2022/23.

23. The risk is that the Covid-19 pressures persist beyond 2021/22 and continue into 2022/23 and indeed beyond. These are all under continuous review and further updates will be provided in the outturn report, however and £6.3m has been built in to the Medium Term Plan initially as a one off but potentially as ongoing cost.
24. The Collection Fund deficit of £16.6m is forecast to be offset by the use of the Collection Fund Equalisation Reserve, as the ongoing pressure of £5.5m will be spread over 3 years. The majority of the impact will be funded by the Taxation Income Guarantee and the Covid-19 Relief Grants provided by Central Government.
25. The Dedicated Schools Grant is forecasting an outturn position of a deficit of £5.223m. With the £8.049m deficit brought forward from 2020/21, the cumulative forecast deficit at year end is £13.272m and will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation.
26. The report provides an update on the 2021/22 forecast position for the level of reserves.
27. The Council remains in a financially challenging position for 2021/22. Due to the work ensuring financial resilience and sustainability the underlying budget is in good health. However, there is significant risk and uncertainty due to the ongoing pandemic and these could persist beyond 2021/22 and continue into 2022/23 and indeed beyond. These are all under continuous review and £6.3m has needed to be built into the Medium Term Plan initially as a one off but potentially as ongoing cost.
28. This report also provides information on the main budget variances and their causes that are affecting the Council across all departments that are not as a result of Covid-19 and these are covered in paragraphs 31 to 92. Although a full budget monitor is carried out each month, variations in this report are limited to variances of at least £50,000 whether adverse or favourable, to provide a greater strategic focus. This report sets out the overall General Fund Revenue and the Dedicated Schools Grant (DSG) forecast outturn for 2021/22, with details of variations provided in [Appendices C](#) to F (General Fund) and [Appendix K](#) (DSG). The variances detailed in each department are those which the Council would be experiencing without the pandemic, any variances resulting from Covid-19 are detailed in [Appendix G](#). The report also provides a monitor of reserves and balances, which are set out in detail in [Appendix L](#). Use of capital receipts to fund transformation expenditure is summarised in [Appendix H](#).
29. Enfield Council is actively seeking to assist families from Afghanistan to settle in the UK. An Afghanistan Resettlement programme has been proposed to support families with accommodation and support. This will come with Government funding and it is anticipated that services such as Housing and Social Care will be providing much needed support.
30. The forecast budget position is set out in Table 1 below. It provides a comparison between the latest budget and the forecast position. This is the total forecast position for the Council, including the effects of Covid-19.
31. Table 2 sets out the Covid-19 associated pressures the Council is experiencing by department.

32. Table 1: General Fund Quarter 3 Projected Departmental Outturn Variances 2021/22

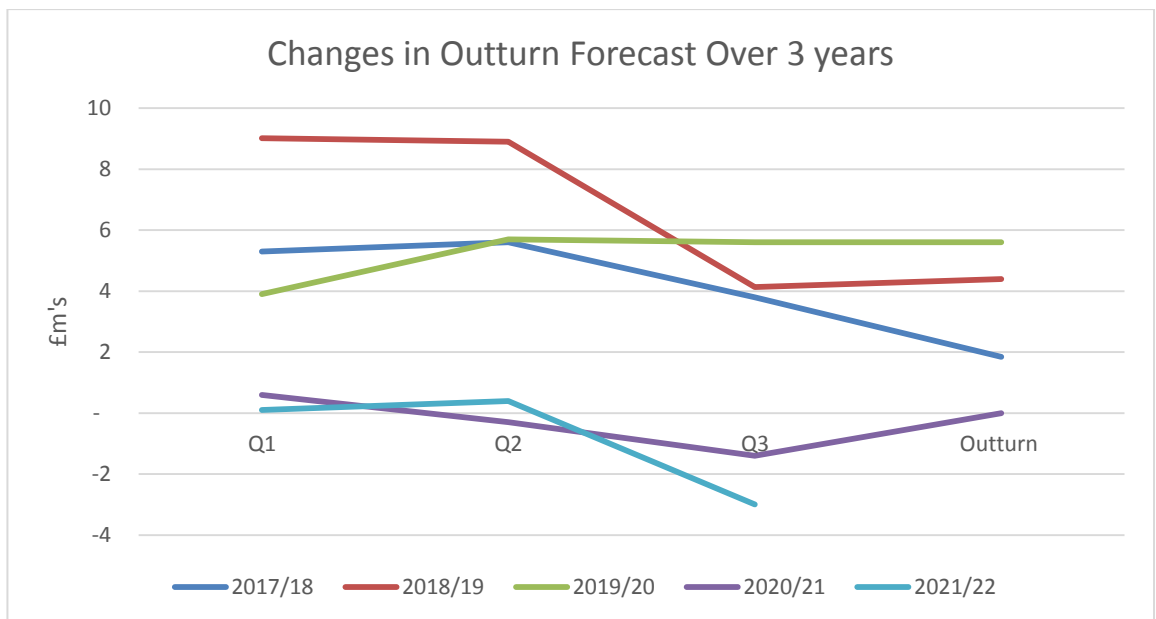
Department	Net Budget	Total Net Forecast Outturn Variance (exc. Covid-19 impact)	Flexible use of Capital Receipts	Covid-19 Total Impact (see Table 2)	Total Net Forecast Variance incl. Covid-19 & In Year Savings	Covid-19 Funding / Collection Fund	Net Variance excl. Covid-19 & In year savings
Chief Exec	9.606	0.159	(0.066)	0.992	1.085	(0.992)	0.093
Adult Social Care and Public Health	78.738	1.646	0.000	13.743	15.389	(13.743)	1.646
Children & Families	44.306	(0.123)	(0.218)	3.798	3.457	(3.798)	(0.341)
Education	4.279	(0.033)	(0.008)	0.338	0.297	(0.338)	(0.041)
Place	29.974	(1.252)	(0.068)	15.495	14.175	(15.495)	(1.320)
Resources	31.328	2.067	(1.141)	8.923	9.849	(8.923)	0.926
Service Net Costs	198.231	2.464	(1.501)	43.289	44.252	(43.289)	0.963
Corporate Expenses	61.567	(0.835)	0.000	0.902	0.067	(0.902)	(0.835)
Bad Debt Provisions	0.791	0.000	0.000	0.000	0.000	0.000	0.000
Net Expenditure before contingency	260.589	1.629	(1.501)	44.191	43.319	(44.191)	0.129
Contingency	3.000	(3.000)	0.000	0.000	(3.000)	0.000	(3.000)
Net Expenditure	263.589	(1.721)	(1.501)	44.191	41.320	(44.191)	(2.871)
Expenditure financed by:					0.000		
Business Rates	(94.241)	0.000	0.000	0.000	0.000	0.000	0.000
Council Tax	(133.108)	0.000	0.000	0.000	0.000	0.000	0.000
Other non-ring-fenced Government Grants	(31.125)	0.000	0.000	0.000	0.000	0.000	0.000
Reserves	(5.115)	0.000	0.000	0.000	0.000	0.000	0.000
General Fund Financing	0.000	(1.721)	(1.501)	44.191	41.320	(44.191)	(2.871)

Table 2: Summary of Covid-19 Impact by Department Q3 2021/22

Department	Net Budget	Covid-19 Additional Expenditure	Covid-19 Loss of Income	Covid-19 Impact on Savings Programme	Covid-19 Total Impact
		£m	£m	£m	£m
Chief Exec	9.606	0.992	0.000	0.000	0.992
Adult Social Care and Public Health	78.738	13.743	0.00	0.00	13.743
Children & Families	44.306	3.798	0.000	0.000	3.798
Education	4.279	0.338	0	0	0.338
Place	29.974	9.559	4.036	1.900	15.495
Resources	31.328	8.016	0.907	0.000	8.923
Service Net Costs	198.231	36.446	4.943	1.900	43.289
Corporate Expenses	61.567	0.902	0.000	0.000	0.902
Bad Debt Provisions	0.791	0.000	0.000	0.000	0.000
Contingency	3.000	0.000	0.000	0.000	0.000
Net Expenditure	263.589	37.348	4.943	1.900	44.191
Expenditure financed by:					
Business Rates	(94.241)	0.000	0.000	0.000	0.000
Council Tax	(133.108)	0.000	0.000	0.000	0.000
Other non-ring-fenced Government Grants	(31.125)	0.000	0.000		0.000
Reserves	(5.115)	0.000	0.000	0.000	0.000
General Fund Corporate Financing	0.000	37.348	4.943	1.900	44.191

Budgets shown in Tables 1 and 2 are controllable departmental budgets excluding capital and asset impairment charges, which are not directly controlled by departments.

33. Management actions are ongoing to continue to address all budget pressures, including those related to Covid-19. Management action taken to reduce costs includes reconvening the Pressures Challenge Board to review the most significant pressures being reported with the first two sessions beginning focused on Homelessness and SEN Transport. The purpose of the sessions is to identify any further solutions to reduce the overspend in 2021/22 but also to identify whether there will be an ongoing pressure that will need to be considered in the 2022/23 budget setting process.
34. There has been a trend of improvements in budget setting and monitoring at Enfield Council over the past four years to improve the robustness and resilience of the council's finances. As a result of strong financial management and financial leadership, there has been less variation in forecast outturn between quarters in year and these are more accurate forecasts of actual outturn. The outturn position for 2020/21 was a balanced position whilst 2019/20 was an overspend of £5.6m and this was after the flexibility of applying £2.7m of capital receipts had been applied.
35. The above tables show that, had the Covid-19 crisis not occurred, the Council would be continuing that journey of increasing the robustness and resilience of its financial management and forecasting.
36. Chart 1: Trends in outturn forecasting since 2017/18



37. This report provides further information on the budget position as follows:
 - Summary narrative for each service area and supported by [Appendices C to F](#) providing additional data and analysis
 - Monitoring information on the progress towards meeting agreed savings and income generation
 - Update on the DSG

- The financial management key performance indicators set out in [Appendix A](#).
38. **Departmental Monitoring Information – Budget Pressures and Mitigating Actions (net variance, excluding Covid-19)**
 39. **Chief Executive’s** ([Appendix C](#))
 40. The Chief Executive’s department continues to forecast a minor variance, £0.093m at quarter 3 compared to £0.055m as at quarter 2, against a budget of £9.606m.
 41. **Use of Capital Receipts:**
 42. The flexible use of capital receipts forecast is the planned Communications role as detailed in the 2021/22 Budget Report and Invest to Save items put forward as part of the Medium Term Financial Strategy to achieve future savings as detailed in Appendix H.
 43. Further details of the Chief Executive department’s outturn variations are provided in [Appendix C](#).
 44. **People** ([Appendix D](#))
 45. The department’s forecast outturn is a £1.3m adverse variance against the budget of £127.3m. This is a £1.1m improvement on the quarter 2 forecasts. The main variations are as follows:
 46. **Adult Social Care (ASC)**
 47. Adult Social Care services are forecasting an adverse variance of £1.646m which reflect the increase in demand in community based and Residential services for Older People.
 48. Key assumptions within the forecast are based on projected activity and year to year trends. However, with the continuation of the effects of Covid-19 being felt, makes trend analysis extremely difficult in year. Additional provider costs due to Covid-19, demographic and inflationary pressures mean the projected outturn, whilst containing an element of risk, may be subject to change.
 49. The adverse position is also because of expected additional income that has been agreed through the MTFP is now looking unlikely to be achieved due to the Norfolk judgement and how this impact on the Council’s charging policy. The judgment in the *Norfolk* case found that there was an unjustified difference in treatment between, on the one hand, the severely disabled and, on the other hand, everyone else receiving council services covered by the Charging Policy. Local councils must consider the ruling and examine their own policies in light of the ruling.
 - Public Health**
 50. The Public Health grant is a £17.53m ring fenced grant that can only be used for public health functions. Just as in quarters 1 and 2, a neutral position is currently being forecast.
 51. The £17.53m reflects a 1.4% increase in the grant from 2020/21, however, 0.7% of this is for PrEP (pre-exposure prophylaxis) a medicine to prevent people getting HIV. The inflationary increase is therefore 0.7%. Over 85% of spend in Public Health is for services contracted to the NHS, for which a pay increase of 3% nationally has been offered (but not accepted) without

additional funding. There is also a risk that demand led sexual health services post pandemic could also result in additional pressures. Whilst this year's pressures can be absorbed this year by one off savings, the risk is without additional funding for these pressures will cause an overspend in future years.

52. **Education, Children and Families Services**

53. There are only a few General Fund services in Education with a net budget of £4.3m. The cost of former employees on enhanced pension is forecast to be £0.23m favourable variance at the year end and supports its inclusion as a saving for the 2022/23 MTFP. In year exit costs resulting from restructures are creating an in year pressure of £0.33m but these are partially offset by additional traded income and service savings of £0.14m, hence the overall minor underspend being reported of £0.04m.
54. Children and Families services are forecasting a favourable variance of £0.341m, a decrease of £1.162m on Quarter 2. There has been a review of the Covid-19 impact on Children and Families service. As a result, an additional £1.850m of expenditure was classified as relating to Covid-19 pressures, mainly within Children in Need and Looked After Children services. This has adjusted the position on the services, as these pressures will be funded by the Covid-19 grant rather than core budgets.
55. The forecast is based on projected activity and year to year trends. With the continuation of the effects of Covid-19 on key cost drivers, trend analysis is extremely difficult in year. Management action is being taken to address cost pressures, including reviewing regularly high-cost placements. However, additional costs due to Covid-19, demographic and inflationary pressures mean the projected outturn may be subject to further change.
56. The Children in Need services report a £0.242m favourable variance. This is predominantly forecast in Prevention of Care Section 17 budget due to a reduced level of demand. The Child Protection and Assessment teams have unprecedented level of vacancies and staff turnover due to Covid-19 pressures. The service is taking steps to improve recruitment and retention of directly employed staff by matching incentives offered by other local boroughs and increasing the number social work apprenticeships.
57. The Looked After Children services forecast an underspend of £0.460m. The largest variance is a £0.421m favourable variance in former unaccompanied asylum-seeking children from maximising benefits for care leavers and clients moving to their own accommodation. The impact of Court delays in granting Special Guardianship Orders created a favourable movement of £0.203m for the service. Adoption allowances are forecast to be £0.103m underspent, external childcare placements budget is forecasting an underspend of £0.061m, and Leaving Care is forecasting an underspend of £0.050m. Heart is reporting an underspend of £0.063m due to vacancies. However, a complex care case is creating a £0.391m pressure on the support cost budget.
58. The £0.365m overspend in the Joint Service for Disabled Children is predominantly due to an increased demand in overnight breaks to avoid family breakdowns. Some children and young people with complex needs require intensive support, such as 24/7 care at home.

59. Young People & Community Safety is reporting £100k favourable variance due to continuous vacancies, underspend on projects and CCTV operational cost in Community Safety.
60. The edge of care service has been very successful in working with young people who are facing family breakdowns by preventing 80% of young people referred to the service from coming into care. The social work domestic abuse team provides wrap-around services to families and is successfully supporting parents to recognise, respond, and reduce risks and keeping children safely at home with their families.
61. **Use of Capital Receipts:**
62. The planned use of capital receipts includes £0.133m of funding for the Nexus project, along with other initiatives, such as 'Break the Cycle' invest to save scheme to achieve savings in future years, and Early Help interventions.
63. **Place** ([Appendix E](#))
64. The Place department is reporting a forecasted favourable variance of £1.670m against a net budget of £29.974m. However, the notable pressures that were reported in Quarters 1 and 2 in Homelessness (£1.200m) and Passenger Transport (£1.460m) remain areas of risk. The Homelessness and Passenger Transport variances were the focus of the two Pressure Challenge Boards that were held to review the current actions plans and explore further options to reduce or mitigate these pressures. The outcomes of which are continuing to improve the previously reported pressures.
65. The pressure in Culture service was partly addressed through the MTFP for 2021/22 and the service has continued to seek options for savings and ways to mitigate the pressure. The forecast pressure has reduced as at quarter 3 and is now £0.100m, compared to £0.130m in quarter 2. This has been achieved through underspends in the Dugdale budget.
66. The Homelessness Service continues to manage challenging demand pressures and the underlying forecast variation to budget remains at £1.200m. This is due to the number of tenants in Emergency Accommodation (EA) at the start of the year being far higher than anticipated when the budgets were produced, the expectation was that there should be circa 2,750 tenants at the beginning of April 2021 however there were actually 3,442.
67. The variance in Parking Enforcement is forecast to be £2.565m, as a result of putting in place traffic enforcement and parking control measures. The parking account is a ring-fenced account which is governed by Section 55 of the Road Traffic Regulations Act which specifies the use of any income in excess of the parking operational costs; this will be utilised to contribute towards the £10.250m of concessionary travel costs incurred.
68. Meanwhile use income from Meridian Water is forecast to be a £0.972m favourable variance.
69. Development management are forecasting a £0.569m variance which is predominantly because of a shortfall in the Pre-Planning Applications (PPA) and other services income.

70. There are a number of other minor variances across the department that are all helping to mitigate the pressures, which are noted in [Appendix E](#).
71. **Use of Capital Receipts:**
72. The planned use of capital receipts included £0.180m to establish Millfield House and theatre as an independent cultural venue which is no longer proceeding for 2021/22. Two invest to save initiatives are included, with a new Commercial manager being created in Planning and a scheme being implemented to improve the recycling rates from flats (£0.068m).
73. Further details are provided in [Appendix E](#).
74. **Resources (Appendix F)**
75. The Resources Department is reporting a net variance of £0.927m after the application of capital receipts against a net budget of £31.328m. This represents an improved position on the £1.2m forecast at quarter 2.
76. Digital services have experienced challenges in recruitment which has meant a greater reliance on temporary staff which cost more than if the service could permanently recruit. Additional resources have also been required in the security service which reflects the increase risk of cyber threats.
77. An overspend of £0.9m is forecast due to additional security related expenditure on applications, compliancy and testing and the need for dual running costs of the CRM/CMS system until the existing system is decommissioned at the end of the financial year.
78. Exchequer Services are reporting a favourable variance of £0.3m having achieved savings in staffing, operational costs, recharges to the pension fund and a review of historic transactions resulting in the recovery of some overpayments.
79. The Financial Assessment service which was previously reporting a £0.1m adverse variance in quarter 2 is currently projecting a net nil variance having identified additional grant income attributable to the service.
80. The Customer Operations team are forecasting a positive £0.2m variance as a result of vacancies in the Customer Service team.
81. The Income Collection team are experiencing increased customer demand requiring additional resources to manage the workload, as well as additional resource put into support Housing Benefit sign up to assist in increasing emergency accommodation client income, alongside savings associated with the payment programme that are unlikely to be delivered this year are all contributing to a £0.24m adverse variance.
82. **Use of Capital Receipts:**
83. As per the Budget Report, investment in Digital services was agreed with a current forecast of £0.297m to develop business cases for new projects as part of the portfolio's pipeline.
84. The forecast net cost of the Transformation Team is by its nature transformation project costs and are planned as described in the Budget Report 2021/22 to be funded by the flexible use of capital receipts.
85. Further details of Resources outturn variations are provided in [Appendix F](#).

86. **Corporate**

87. Other than the £3m corporate contingency, concessionary fares underspend of £0.335m, and general inflation underspend of £0.500m all other corporate budgets are reporting a neutral position. This includes the budget for 2021/22 pay awards where final decision remains pending.
88. Concessionary fares are projecting a spend of £9.375m, based on London Councils revised settlement agreement which is a reduction of £0.335m from their original projection. Following a remodelling exercise of expected travel usage and journey lengths and completing negotiations with the transport operators, London Councils have revised the settlement agreement resulting in an in-year improved position.
89. The £0.500m forecast underspend is as a result of inflationary pressures being managed well in the services and therefore £500k not needing to be released to the departments. However, inflation remains an area of concern for future budgets.

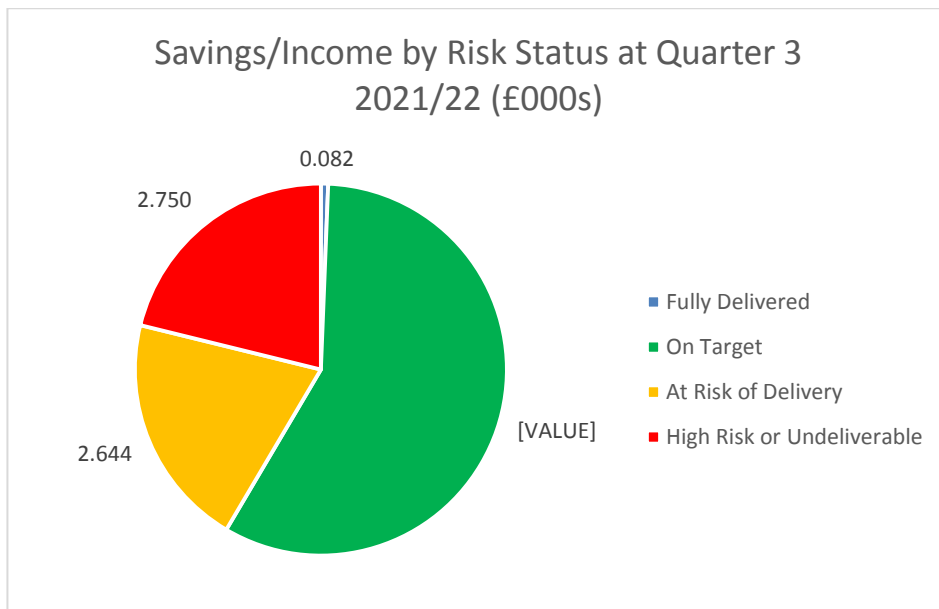
Covid-19 Impact (Appendix G)

90. **Chief Executive's: net budget is £9.6m; the total estimated additional costs of £1.0m (10%)**
91. The focus of Covid-19 impact has shifted in the Chief Executive's department from loss of income to expenditure in 2021/22. The more notable areas are additional legal cover required to deal with the increase in Children's social care cases and the additional cost incurred related to the recent elections. Though it should be noted that this was partly covered by the Local Elections grant.
92. **People: Adult Social Care (ASC) and Public Health – net budget is £78.7m; the total estimated additional costs of £5.5m (Gross i.e. includes NHS Hospital discharge costs), £4.1m (Net) 4.9%**
93. The impact on Adult Social Care (ASC) continues to be additional cost. The current forecasted impact directly in the department is £1.524m. With an increased pressure in Community Based and Residential services and significant cost pressures are judged to be additional staffing costs of £0.2m for additional staffing across ASC services.
94. Additional costs of £0.4m are anticipated resulting from the cancelation of routine operations e.g. hips, knees and the long term impact this may have a care cost. Placement breakdowns in Learning Disability services are also forecast to cost an additional £0.4m.
95. Outside safe areas in care facilities are also planned at a cost of £0.2m to be funded from the Contain Outbreak Management Fund grant.
96. The NHS Hospital discharge programme has been extended and is now forecast to cost a further £1.4m though this is recovered from the additional Government funding that has been allocated to the NHS.
97. There have been further tranches of the Infection Control grant, the Rapid testing grant and a Work-Force Recruitment and Retention grant plus additional support to deal with the impact of Omicron. The total grants allocated are now £7.59m which have been passported on to care providers in line with the grant conditions.

98. **People: Education – net budget is £4.3m; the total estimated additional costs are £0.338m (7.8%)**
99. Additional support staff resources are required in the SEND team to manage and deal with the backlog of cases resulting from the pandemic. In order to support Covid-19 recovery in the boroughs Schools, a pilot of after school provision for supervised independent study is taking place in four of the borough's secondary schools, costing circa £48k. This pilot will now be extended to include all secondary schools at a total cost of £218k. Further, additional support is also proposed to be put in place for the primary sector at a cost of £300k (this is not yet reflected in Appendix G).
100. **People: Children & Families – net budget is £44.3m; the total estimated additional costs of £3.8m (8.6%)**
101. The most significant cost forecast relates to £1.7m pressure in care placements, due to increase in number of court proceedings, and the need for support packages into homes to safeguard particularly but not exclusively children with SEND and/or severe emotional and mental health. The need for additional staffing resources continues, with £1.147m for addition staff predominantly source via agencies, a further £0.364m required to recruit and retain social workers and £0.02m required to provide additional short-term capacity to support safeguarding and quality assurance. Various items are to be funded from the Contain Outbreak Management Fund and include increase in short breaks, outside safe areas to increase contact facilities, and PPE.
102. **Place – net budget is £29.974m; the total estimated additional costs of £15.495m gross (52%) – includes income losses due to Covid**
103. Strategic Property Services are forecasting a £0.176m loss of income due to Covid-19 from areas such staff car parking fees and filming income.
104. £3.207m of expenditure will funded by the Welcome Back Grant/Reopening the High Street Safely grant and the Additional Restrictions Grant, which is expected to be fully distributed by the end of this year.
105. Temporary additional resources of £0.131m have been required in the Planning service to implement workload recovery and backlog management plan in response to the pandemic. Plus £0.080m income loss in the Strategic Planning & Design services.
106. Loss of income of £3.538m is expected in the Environment & Operational Services directorate (i.e., Parking, Highways, Traffic and Transport, Commercial waste, Passenger Transport, Regulatory Services, waste services, leisure services and parks activities and engagement).
The most substantial loss of income continues to be experienced in Parking income, the restrictions and National Lockdowns has meant less travel undertaken and less use of car parks, resulting in a forecast loss of £2.598m.
107. Operational services such as Fleet, Waste Operations, Street Scene, Parks Operations, have all had to incur additional expenditure during the pandemic at a cost of £1.463m.

108. The total estimated cost for Community Mass Testing Programme & Mobile Testing Units, Covid Marshals & Locally Supported contact tracing and Mortuary is circa £2.788m.
109. The estimated Covid-19 related cost in the Housing is £3.8m, of which £1.9m is the continuation of the housing and support to protect rough sleepers, with £1.9m the impact of Covid-19 on the services ability to deliver the savings programme.
110. **Resources: net budget is £31.328m; the total estimated additional costs of £8.99m (28.4%)**
111. The most significant impacts identified in Resources services relate to additional costs. £0.417m relates to additional IT requirements, £0.56m additional demand in the Financial Assessments Team and £0.84m in Income Collection. Additional expenditure also continues to be incurred to meet the demand in Customer operations which is being funded from the grant to support the clinically extremely vulnerable.
112. The increase in the number of discretionary housing payments resulting from Covid-19 is still to be determined.
113. There is an estimated loss of income across services in the department of £0.9m with the most significant being in catering which continues from last year though not at the same extent. The recovery of Court costs has seen an improvement and is forecast to be within budget for 2021/22 and therefore no longer a Covid-19 related pressure.
114. The forecast also includes expenditure of £4.376m that will be funded via the Winter Grant/Local Support/ Household Support scheme, self isolation payments of £0.6m which are also funded from a specific government grant and £1.0m for the Practical Support for those self isolating.
115. **Corporate**
116. In 2020/21 a contribution to the London provision of coroners and mortuary services cost an additional £1.4m. There has not been a further call in 2021/22 and the provision has been removed to reflect this and unspent funds from 2020/21 have been returned which will support the Council Covid-19 resources for 2021/22.
117. An estimate for Personal Protective Equipment has been included at £0.15m for use across all Council services excluding Adult Social Care where this is recorded separately for the purposes of the MHCLG return.
118. There is still a contingency held for unknown Covid-19 impacts which will be continued to be reviewed and where possible carried forward into 2022/23 to help manage longer term Covid-19 impact.
119. **Collection Fund**
120. The Collection Fund deficit is forecast to be offset by the use of the Collection Fund Equalisation Reserve, as the ongoing pressure will be spread over 3 years. The majority of the impact will be funded by the Taxation Income Guarantee and the COVID Relief Grants provided by Central Government.
121. Further details of Covid-19 variances are provided in [Appendix G](#).
122. **Flexible Use of Capital Receipts ([Appendix H](#))**

123. With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise capital receipts for revenue purposes. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services, and/or transform service delivery to reduce costs or demand for services in future years for any of the public sector delivery partners. In the Provisional Local Government Financial Settlement of December 2017, the Government extended this flexibility for a further three financial years, from 2019/20 to 2021/22.
124. The Council is mindful of over reliance on, and the sustainability of, this one-off funding. In the medium to long term, alternative funding will need to be identified to fund any further projects, as capital receipts may not be available, and this flexibility will no longer be available after 2021/22. As set out in earmarked reserves below, it should be noted that the “Invest to Save” transformation reserve remains for future projects.
125. The impact of using capital receipts to fund revenue transformation projects is that these receipts are not available to fund the council’s capital programme and, therefore, increase the council’s borrowing requirements.
126. The Budget Report 2021/22 set out the plan for use of capital receipts this financial year. However, since the Budget report several new Invest to Save schemes have been approved and reflected in this report. The total forecasted call on capital receipts as at Quarter 3 is £1.501m as described in [Appendix H](#).
127. **Achievement of Savings ([Appendix I](#) and [Appendix J](#))**
128. A risk-based approach to the monitoring of savings is undertaken as part of the monthly budget monitoring, where a score is given in relation to the value of saving or income and the likelihood of delivery, these are then multiplied together, and the total score provides the following risk ratings:
 - Blue - Saving/ income has been fully delivered
 - Green - Saving/ income is on target for delivery
 - Amber - Saving/ income is at risk of delivery
 - Red - Saving/ income is high risk or undeliverable
129. The savings include those that are new for 2021/22 plus the full year effect of previous decisions.
130. Of the £13m departmental savings, £7.6m is expected to be fully delivered at this stage.
131. However, £2.6m and £2.7m are amber or red risk status. These risk ratings are reflected in the forecast outturns for each department and predominantly relate to pressures and delays caused by the pandemic.
132. Chart 2: Savings/Income Risk Status 2021/22



133. Further details for each department are summarised in the charts and tables in [Appendix I and Appendix J](#).
134. **Dedicated Schools Grant (DSG) (Appendix K)**
135. For 2021/22 Enfield received a total Dedicated Schools Grant allocation of £373.187m (as at December 2020) and the funding is allocated across four blocks; £283.399m for the Schools Block, £2.537m for the Central Schools Services Block, £26.553m for Early Years and £60.697m for the High Needs Block.
136. In 2020/21 there was a bought forward DSG deficit of £4.482m but due to ongoing High Needs pressures there was a net in year overspend of £3.567m resulting in a cumulative outturn deficit of £8.049m which was bought forward to 2021/22.
137. There continues to be cost pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are now placed in borough. There is a SEN expansion programme in place which continues to increase in borough provision through expansion of current provision and the development of additional units and satellite provisions. Over time this will enable more pupils to be placed in borough and reduce the number of pupils placed out of borough in costly independent provision.
138. At the end of Quarter 3, there is a projected in year overspend of £5.223m, which includes the estimated Early Years clawback for 2020/21. The projected outturn position for 2021/22 is a deficit of £13.272m, a £0.385 improvement on the projected position at Q2. The main pressures are within the High Needs Block and relate to the development of additional in borough provision, an increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools, the development of early intervention strategies and from September 2021, increased forecasts in out of borough placements.
139. The authority's ongoing and increasing DSG deficit position is a general London and national issue resulting from additional demand for high needs provision which is increasing at a higher rate than the additional funding being provided by Government. The Department for Education are

carrying out a review of SEND services and the outcomes have been delayed due to other pressures during the Covid-19 pandemic.

140. **Earmarked Reserves (Appendix L)**

141. The table below summarises the changes between the balances reported in the outturn report and what is the provisional final outturn, as well as providing the forecast position for 2021/22 based on Quarter 3:

	2020/21 Outturn Report Balance £m	2020/21 Provisional Final Outturn Balance £m	2021/22 Forecast based on Q3 £m
Risk Reserve	(20.527)	(21.006)	(22.623)
Covid-19 Risk Reserve 2021/22	(10.000)	(10.000)	(10.000)
Balance Sheet Management	(2.000)	(3.040)	(3.040)
Collection Fund Equalisation Reserve	(10.542)	(24.396)	(18.577)
Housing Benefit Smoothing Reserve	(9.566)	(9.566)	(5.276)
Adult Social Care Smoothing Reserve	(3.697)	(3.697)	(2.297)
NLWA Reserve	(1.349)	(1.349)	(1.349)
MTFP Smoothing Reserves	(37.154)	(52.481)	(40.539)
Capital Financing	(23.428)	(23.428)	(23.307)
Service Specific	(11.161)	(11.161)	(14.857)
Property	(2.101)	(2.101)	(1.511)
Grants & Other Contributions	(15.130)	(15.242)	(8.010)
Sub-total GF Usable Reserves	(124.43)	(125.419)	(110.848)
Insurance	(7.021)	(7.022)	(7.022)
General Fund Balance	(13.950)	(13.950)	(13.950)
GF Earmarked Reserves	(145.400)	(146.390)	(131.819)
HRA Earmarked Reserves	(11.120)	(25.311)	(37.153)
Schools	0.242	0.242	0.242
Total Reserves & Balances	(156.542)	(171.281)	(168.730)

142. It is important to recognise that the reserves overall are limited, especially against a backdrop of challenging savings targets for 2021/22 and 2022/23. The importance of maintaining a tight control on spend, delivering on existing savings plans and recovering lost income positions due to Covid-19 cannot be understated.

143. The Risk reserve had significantly reduced over the past few years but an in year review of earmarked reserves and the final outturn position has meant that the Council has been able to replenish the risk reserve. The balance is forecast to be £22.6m at year end reflecting that the Budget was set on using £1.927m of the reserve to balance 2021/22. Given the

ongoing financial uncertainty created by the pandemic and specific Covid-19 reserve was created and the balance remains at £10m.

144. The General Fund Balances are forecast to be held at £13.950m (on a net budget of £263m, i.e. 5.3%; and borrowing of £938.6m). The minimum level of unallocated reserve balances is a decision reserved for the Section 151 Officer, in order to ensure operational efficacy and sustainability of the Council's financial position. The appropriate level of General Fund balances will need to be reviewed over the course of 2021/22 considering the new risks and uncertainty brought about by Covid-19.
145. The £39m Smoothing Reserves relating to Council Tax (£133m) /Business Rates (£94m) and Housing Benefits (£260m claim per year) are currently forecast to be required over the course of 2021/22 with a year end forecast of £27.5m.
146. The £23.3m of Capital and Minimum Revenue Provision reserves are committed for the next five years to smooth any increased budget requirement.
147. Whilst the overall total has broadly remained the same since the publication of the Outturn report, it is worth noting a key change in the presentation of the S31 Reliefs Grant. This was shown separately in the Outturn Report, however, the balance itself is in the Collection Fund Equalisation Reserve which is one of the smoothing reserves referred to above.
148. **Medium Term Financial Impact**
149. The Council remains in a financially challenging position for 2021/22. Due to the work ensuring financial resilience and sustainability the underlying budget is in good health. However, there is significant risk and uncertainty due to the ongoing pandemic, a number of key financial risks facing the Council are set out below:
 - The ongoing anticipated impact of Covid-19 on Council Tax and Business Rate debt; the 2021/22 budget includes £3.188m which had to be applied from reserves to address the Collection Fund deficit and £1.926m from the risk reserve to balance the overall budget for 2021/22.
 - The unknown impact of Covid-19 on Adult Social Care costs, in particular, delayed operations and long Covid-19 and undetermined suppressed need such as mental health.
 - One of the most significant areas of risk is the ongoing impact on Emergency Accommodation costs arising from the economic impact of Covid-19 and suppressed need.
 - The risk of increasing number of children in need as families bear the sustained economic impact of Covid-19 and increased need for respite packages for families with children with disabilities.
 - Ongoing impact of Covid-19 on Council fees and charges income.
 - Changes in working patterns and lifestyle impacting on car park income, waste services.
 - Unknown impact on businesses and residents when furlough scheme ends in September 2021.

150. These anticipated Covid-19 financial pressures are likely to impact over the medium term, however, there is no precedent to base the forecast impact and therefore, the picture remains uncertain. In addition, the ongoing uncertainty over the medium-term funding of local government and no guarantees regarding future funding for the legacy costs of Covid-19 exacerbates this position. In this context, the action taken in 2020/21 and resulting strengthened reserves will ensure Enfield is better placed to face these challenges.
151. Full details of the of the MTFP 2022/23 to 2026/27 can be found in the Council papers of Thursday 24th February.
152. **Safeguarding Implications**
153. There are no specific safeguarding implications arising out of these recommendations, other than to note the financial impact of safeguarding children and adults in the borough.
154. **Public Health Implications**
155. The Council moved swiftly to safeguard the health of its residents and staff during a period of threat unprecedented in living memory. As previously reported the financial implications of this have been harsh and have reached into every department in the Council. As the council is fundamental to the health of Enfield residents it needs to achieve financial balance.
156. This report notes the work that the Council is and has already undertaken and therefore in and of itself does not have public health implications. However, both the Office for Budget Responsibility (OBR) and the Institute for Financial Services (IFS) have both reported on the negative health effects of the 2008 financial crisis. In order to mitigate the effects of this current crisis the council will need to attain financial balance, consider what the 'new normal' might be and how this might be achieved whilst optimising resident's health.
157. **Equalities Impact of the Proposal**
158. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.
159. Financial reporting and planning are important in ensuring resources are used to deliver equitable services to all members of the community.
160. **Environmental and Climate Change Considerations**
161. None in the context of this report.
162. **Risks that may arise if the proposed decision and related work is not taken**
163. None in the context of this report.
164. **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

165. The budget risks during 2021/22 will be managed through detailed revenue monitoring reports provided regularly to Cabinet. Departments will take action to minimise budget pressures and align departmental spend to budgets. Action plans have been drawn up to manage controllable pressures in 2021/22.

166. **Financial Implications**

167. Financial implications are implicit in the body of the report. The variances and risks identified through the closure of accounts will be considered in the financial monitoring process for 2021/22.

Legal Implications

168. The Council has duties within an existing legal framework to arrange for the proper administration of its financial affairs. The recommendations in this report will support the Council in meeting its statutory obligations.

169. **Workforce Implications**

170. None in the context of this report.

171. **Property Implications**

172. None in the context of this report.

173. **Other Implications**

174. None in the context of this report.

175. **Options Considered**

176. Not relevant in the context of this report.

177. **Conclusions**

178. Despite the balanced position achieved in the 2020/21 outturn, the Council has not lost sight of the fact that it continues to face its most significant financial challenge and the work undertaken in previous years to create a robust and sustainable budget has at least put the Council in a strong position. Whilst the position for Quarter 3 identifies some significant pressures Executive Directors and services are working to reduce these pressures through reviews and other corporate initiatives such as Pressures Challenge Boards looking at the most significant pressure areas. The Covid-19 impact continues to be monitored and it is expected that the Government funding will be sufficient to meet the Covid-19 impact, although there is of course the continued uncertainty around the impact of the pandemic and the adverse impact on the additional costs and income losses currently forecast. These are all under continuous review and £6.3m has needed to be built into the Medium Term Plan initially as a one off but potentially as ongoing cost.

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Date of report: 28th February 2022

Appendices

[Appendix A: Financial Resilience Key Performance Indicators](#)

[Appendix B: Forecasted Financial Position as at Quarter 1](#)

[Appendix C: Chief Executive's Variances](#)

[Appendix D: People Variances](#)

[Appendix E: Place Variances](#)

[Appendix F: Resources Variances](#)

[Appendix G: Covid-19 Variances](#)

[Appendix H: Flexible Use of Capital Receipts](#)

[Appendix I: Achievement of Savings](#)

[Appendix J: Savings & Income Monitor](#)

[Appendix K: Designated Schools' Grant Variances](#)

[Appendix L: Reserves and Balances](#)

[Appendix M: Contain Outbreak Management Fund](#)

Background Papers

The following documents have been relied on in the preparation of this report:





- Revenue Outturn 2020/21 – KD5325
- Initial Assessment Report of the Financial Impact of Covid-19
- 2021/22 Budget & Medium Term Financial Plan 2021-22 to 2025-26 - KD5213
- Medium Term Financial Plan 2022/23 to 2026/27 and Early Savings Proposals (KD5337)
- Revenue Monitoring 2021/22: Quarter 1 (June 2021) – KD5334
- Revenue Monitoring 2021/22: Quarter 2 (September 2021) – KD5338

Financial Resilience Key Performance Indicators

A summary overview of financial performance is outlined below in Table 4. This dashboard summary captures the key messages across the Council's main financial areas:

1. Income and expenditure;
2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
3. Cash flow forecasting and management.

Table 3: Summary performance overview

Financial Indicator	Status	Key Highlights
Income & Expenditure Position – General Fund year end forecast variances	•	The Quarter 3 forecast outturn is an adverse variance of £0.129k before the use of contingency funds. The planned drawdown of reserves is no longer required; and the reserves will be increased by £0.944m from the unused contingency budget.
Progress to Achieving Savings MTFP (current year)		Savings monitoring has identified a total of £2.7m considered a high risk rated/ undeliverable and a further £2.6m that are at risk of delivery. These are reflected in the reported position for Quarter 3 2021/22.
Income & Expenditure Position – DSG		The DSG forecast is a £5.2m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £13.3m and will be the first call on the 2022/23 grant allocation.
Cash Investments; Borrowing & Cash Flow		The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return.
Balance Sheet - General Fund balances year end projections		The outturn for General Fund balances is in line with expectations set out in the Council's Medium Term Financial Plan.

Appendix B**Forecasted Financial Position as at Quarter 2**

	£m	£m
Covid-19 impact (2021/22)	44.191	
Covid-19 impact (2022/23)*	0.306	
Covid-19 HRA Impact (2021/22)	0.458	
		44.955
Funding		
Covid-19 Support Grant 2021/22	10.534	
Covid-19 Support Grant c/f 2020/21	4.287	
Sales, Fees & Charges support (estimate)	1.582	
Contain Outbreak Management 2021/22	2.718	
Contain Outbreak Management c/f 2020/21	3.960	
Test, Track & Trace c/f 2020/21	1.195	
Community Testing Programme	1.885	
CEV grant c/f 2020/21	0.274	
Reopening High Street Safely/Welcome Back	0.262	
ARG	2.944	
Infection Control & Rapid Testing Tranche 1, 2 and 3	4.726	
ASC Workforce Recruitment and Retention – Round 1&2	2.502	
Omicron Support Fund	0.325	
NHS Hospital Discharge funding	1.400	
Substance Misuse	0.271	
Local Elections Grant	0.104	
Self Isolation Payment admin	0.608	
Winter Grant scheme/Local Support Grant/Household Support Grant	4.376	
Practical Support Grant	0.998	
Total Funding		44.955
Gap After Funding		0.000

* These are projects started in 2021/22 which will continue into 2022/23.

Chief Executive	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Strategy, Partnership, Engagement and Consultation Gross variance relates to Invest to save project to be funded via the flexible use of capital receipts and further posts being held vacant following the implementation of a restructure.	(0.125)	(0.025)	(0.150)	(0.150)
Communications Gross variance relates to Invest to save project to be funded via the flexible use of capital receipts and part year reduction in costs relating to maternity leave.	(0.009)	(0.041)	(0.050)	(0.025)
Electoral Services The variance is due to spend on the by-election in May and July, plus unclaimable expenditure incurred on the GLA elections. The increase since quarter 2 is due to costs associated with annual canvassing and household notification letters.	0.330	0.000	0.489	0.330
Other variances	(0.196)	0.000	(0.196)	(0.100)
Chief Executive Total	0.000	(0.066)	0.093	0.055

[Return to Chief Executive Narrative](#)

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Adult Social Care				
Strategy & Resources These services include, grants to voluntary organisations, service development Safeguarding Adults and Safeguarding Adults, deprivation of liberty safeguards (dols) as well as brokerage, contract monitoring and Safe & Connected. With an increasing number of dols year on year, there is risk costs may increase with more activity.	0.000	0.000	0.000	0.000
Mental Health The service is currently projecting a zero variance.	0.000	0.000	0.000	0.000
Learning Disabilities This service includes the in house day services. The service is projecting a slight overspend position as a result of managing demand led services. Savings will continue to be made in year however, demand for services continues to rise as a result of demographics, particularly complex and expensive transition cases.	0.122	(0.000)	0.122	0.122
Older People and Physical Disabilities (the Customer Pathway) This service includes the in house residential and nursing home. The service is currently projecting an overspend, in demand	1.524	0.000	1.524	1.448

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
particularly with community-based services. There has been an increase in demand, following a lower number of clients last year due to Covid-19.				
Other Minor variances	0.000	0.000	0.000	0.000
Adult Social Care Sub Total	1.646	(0.00)	1.646	1.570
<p>Public Health Grant</p> <p>The Departmental forecast also includes the ring-fenced Public Health Grant. The Public Health grant in 2021/22 is £17.53m, this reflects an increase in the grant of grant of 1.4%, however, 0.7% of this is for PrEP (pre-exposure prophylaxis) a medicine people to prevent getting HIV. The inflation increase is therefore 0.7%. Over 85% of spend in Public Health is for services contracted to the NHS, for which a pay increase of 3% nationally has been offered (but no accepted) without additional funding. There is also a risk that demand led sexual health services post pandemic could also result in additional pressures. Whilst this year's pressures can be absorbed this year by one off savings, the risk is without additional funding for these pressures will cause an overspend in future years.</p>	0.000	0.000	0.000	0.000
Public Health Sub Total	0.000	0.000	0.000	0.000
Adult Social Care & Public Health	1.646	(0.000)	1.646	1.570

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Education				
Enhanced Pension costs These are the cost of former employees on enhanced pension and forecasted variance is £0.230m.	(0.230)	0.000	(0.230)	(0.230)
Exit costs from restructure in Education services	0.328	0.000	0.328	0.256
Other variances Additional traded income in some areas and underspends in other services which help to offset early retirement costs above	(0.131)	(0.008)	(0.139)	0.016
Education Sub Total	(0.033)	(0.008)	(0.041)	0.042
Children and Families				
Children In Need This is predominantly because of £0.150m underspend in Section 17 budget and vacancies in the Child Protection and Vulnerable children team due to Covid-19 pressures.	(0.242)	0.000	(0.242)	0.179
Looked After Children The largest variance is a £0.421m favourable variance in former unaccompanied asylum-seeking children from maximising benefits for care leavers and clients moving to their own accommodation.	(0.423)	(0.037)	(0.460)	0.185

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
The impact of Court delays in granting Special Guardianship Orders created a favourable movement of £0.203m. Adoption allowances are forecast to be £0.103m underspent, external childcare placements budget is forecasting an underspend of £0.061m, and Leaving Care is forecasting an underspend of £0.050m. Heart is reporting a favourable variance of £0.063m due to vacancies. However, a complex care case is creating a £0.391m pressure on the support cost budget.				
Young People & Community Safety The favourable variance of £0.100m is due to an underspend in Community Safety.	0.040	(0.140)	(0.100)	0.000
Joint Service for Disabled Children The overspend is predominantly due to an increased demand in overnight breaks, commissioning and increase in Direct Payments rate.	0.406	(0.041)	0.365	0.361
Other Variances Though the cost of translations and staffing pressures in Safeguarding and Operational Support creates a pressure of £0.159m, this is mitigated by a favourable variance in the Centre of Excellence.	0.096	0.000	0.096	0.096
Children and Families Services Sub Total	(0.123)	(0.218)	(0.341)	0.821

[Return to People Narrative](#)

Appendix E

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
<p>Development Management</p> <p>Shortfall of £0.569m in Pre Planning Application and Building Control income and additional cost incurred in planning appeals. This is partly offset by favourable variance in reported in Land charges income.</p>	0.569	(0.000)	0.569	0.500
<p>Strategic Planning & Design</p> <p>The £0.240m variance is due the Local Plan budget pressure, plus loss of income from S106 and Planning Feasibility Studies.</p>	0.240	0.000	0.240	0.160
<p>Culture Services</p> <p>£0.100m overspend is currently forecasted, this is due to the cost pressures resulting from the reopening of Millfield Theatre, which has been mitigated through additional rental income from the Dugdale vaccination centre.</p>	0.100	0.000	0.100	0.130
<p>Economic Development</p> <p>£0.130m forecasted overspend, due to salary overspend.</p>	0.130	0.000	0.130	0.137
<p>Highways</p> <p>The £0.168m variance is due a saving proposal still to be delivered, along with essential safety works undertaken.</p>	0.118	0.000	0.118	0.166

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Street Lighting £0.316 favourable variance, this is a result of an accrued saving from April 2019 to June 2021, and other operational under spends.	(0.316)	0.000	(0.316)	(0.290)
Traffic & Transportation The forecast variance is due to additional Traffic Order income.	(0.351)	0.000	(0.351)	(0.343)
Parking Services The forecasted variance is a result of putting in place additional traffic enforcement and parking control measures.	(2.565)	0.000	(2.565)	(1.917)
Regulatory Services Favourable variance mainly due to income from the FPNs Enforcement.	(0.299)	0.000	(0.299)	(0.213)
Health & Safety team Due to underspends in salary costs	(0.109)	0.000	(0.109)	(0.090)
Cemeteries Positive outturn is forecast resulting from improved burial sales.	(0.396)	0.000	(0.396)	(0.150)
Waste Services The variance reported on the underlying budget is due to increased take up of the garden waste service. The flexible use of capital receipts is to fund an invest to save scheme to improve recycling	(0.144)	(0.068)	(0.212)	(0.164)

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
rates in flats.				
Commercial Waste The underlying positive forecast is due to surpluses in the schedule 2 and housing trade waste services.	(0.163)	0.000	(0.163)	(0.118)
Street Scene The £0.360m relates to the provision of additional street cleansing (across the Borough), including weekends and early retirement exit costs.	0.360	0.000	0.360	0.095
Parks Operations/Activities & Engagement This is due to forecasted improved income from allotments and concessions.	0.027	0.000	0.027	(0.049)
Fleet Services Salary and operational underspends	(0.100)	0.000	(0.100)	(0.095)
Passenger Transport Service The projected over spend is mainly due:- 1) Increase in numbers - up to 1,202 in Jan 2022 (from 980 in Jan 2019/20) 23% uplift. 2) Increased number of single occupancy routes from 77 in 2019/20 to 103 in 21/22, with an average cost of about £25k per	1.460	0.000	1.460	1.971

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
annum (with costs ranging from £7k to £85k per annum). Some of the reasons are: 1) Schooling available for more complex cases 2) Behavioural issues getting worse as they get older				
Construction Maintenance Facility Management (CMFM) The projected overspend is due to shortfall in staffing recharges.	0.182	0.000	0.182	0
R&M (Repairs and Maintenance) The projected overspend is due to the uplift applied to the capital di minimis threshold increased from £0.01m to £0.05m.	0.350	0.000	0.350	0
Meridian Water Forecasting additional meanwhile use income. The underlying variance is £0.972m but £0.350m has been transferred to reserves to address a one off pressure in 2022/23.	(0.972)	0.000	(0.622)	(0.401)
Strategic Property Services The forecasted favourable variance of £0.458m is due to increased rental receipts from the Montague Industrial Estates, staffing under spend and various backdated rental income adjustments.	(0.458)	0.000	(0.458)	(0.033)
Housing Homelessness - £3.1m overspend. This is due to the number of	1.200	0.000	1.200	1.200

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
tenants in EA at the start of the year being far higher than anticipated when the budgets were produced, the expectation was that there should be circa 2,750 tenants at the beginning of April 2021 however there were actually 3,442.				
No Recourse to Public Funds (NRPF) NRPF is £0.300m underspent due to less families than expected needing to use the service.	(0.300)	0.000	(0.300)	(0.300)
Other minor variances	(0.165)	0.000	(0.165)	(0.113)
Place Department Total	(1.602)	(0.068)	(1.320)	0.083

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Resources	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
<p>Digital Services</p> <p>The service has experienced challenges in recruitment which has meant a greater reliance on temporary staff which cost more than if the service could permanently recruit.. Additional resources have also been required in the security service which reflects the increase risk of cyber threats.</p> <p>An overspend of £0.9m is forecast which is due a number of factors: the need for dual running costs of the CRM/CMS system until the existing system is decommissioned at the end of the financial year, further additional security related expenditure on applications, compliancy and testing. Circa £0.160m relates to inflationary pressure on annual contracts and new spend on statutory or critical items.</p>	1.254	(0.297)	0.958	0.958
<p>Customer Experience</p> <p>Exchequer Services are reporting a favourable variance of £0.3m which is an increase of £0.2m since quarter 2. Savings in staffing, operational costs and recharges to the pension fund have been achieved. The movement since quarter 2 is due to additional one-off savings following a review of historic transactions which have resulted in refunds due to the council.</p>	(0.237)	0.000	(0.237)	(0.033)

<p>The Income Collection team are experiencing increased customer demand requiring additional resources to manage the workload, as well as additional resource put into support the Housing Benefit sign up to assist in increasing emergency accommodation client income, alongside savings associated with the payment programme that are unlikely to be delivered this year are all contributing to a £0.24m adverse variance.</p> <p>Vacancies in the Customer Service team are contributing to a forecast £0.17m underspend. Whilst strong income generation in the visa verification service is leading to a favourable forecast this is offset by a shortfall in income across the remainder of the library service due to the pandemic.</p>				
<p>Transformation</p> <p>The forecast overspend is transformation project costs and are planned as described in the Budget Report 2021/22 to be funded by the Flexible use of capital receipts.</p>	0.844	(0.844)	0.000	0.000
<p>Other variances</p>	0.206	0.000	0.206	0.365
<p>Resources Department Total</p>	2.067	(1.140)	0.927	1.229

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Appendix G

Covid-19 Impact	Additional Expenditure	Loss of income	Impact on Savings
	£m	£m	£m
Chief Executive			
CEX: Life After Loss Project with CAB	0.070	0.000	0.000
CEX: Additional legal costs to cover rising C&F case work	0.521	0.000	0.000
CEX: Communications Officer	0.046	0.000	0.000
CEX: Communications & Marketing	0.120	0.000	0.000
CEX: Additional Elections cost	0.191	0.000	0.000
CEX: Emergency Planning	0.044	0.000	0.000
Chief Executive Total	0.992	0.000	0.000
People			
Adult Social Care			
ASC: Additional Social Workers/agency staff-MH	0.058	0.000	0.000
ASC: Additional Social Workers/agency staff-OP/PD Social workers and OTs	0.030	0.000	0.000

ASC: Additional Social Workers/agency staff-Enablement staff DTA	0.040	0.000	0.000
ASC: Additional Social Workers/agency staff-LD	0.045	0.000	0.000
Specialist nursing care to providers LD/MH	0.050	0.000	0.000
Additional payments to carers to cover self isolating	0.010	0.000	0.000
ASC: Expenditure on P-cards: food, supplies, care of pets, transport.	0.030	0.000	0.000
ASC: Additional long term care purchasing costs as a result of cancelation of routine operations, hip, knee etc	0.400	0.000	0.000
ASC: Learning Disability Service – Placement breakdown	0.350	0.000	0.000
ASC: Hospital Discharge	1.400	0.000	0.000
ASC: Infection Control Phase 1 – Care Homes & Community Providers	0.670	0.000	0.000
ASC: Rapid Testing Phase 1 - Care Homes & Community Providers	0.698	0.000	0.000
ASC: Infection Control Phase 1 – LA Discretionary Amount	0.287	0.000	0.000
ASC: Infection Control Phase 2 – Care Homes & Community Providers	0.478	0.000	0.000
ASC: Rapid Testing Phase 2 – Care Homes & Community Providers	0.533	0.000	0.000
ASC: Infection Control Phase 2 - LA Discretionary Amount	0.205	0.000	0.000

ASC : Infection Control Phase 3 - Care Homes & Community Providers	0.873	0.000	0.000
ASC : Rapid Testing Phase 3 – Care Homes & Community Providers	0.608	0.000	0.000
ASC : Infection Control Phase 3 – LA Discretionary Amount	0.374	0.000	0.000
ASC : Social Care Workforce Recruitment & Retention – Round 1	0.879	0.000	0.000
ASC : Social Care Workforce Recruitment & Retention – Round 2	1.623	0.000	0.000
ASC – Omicron Support	0.325	0.000	0.000
ASC: Outside Safe areas	0.200	0.000	0.000
Public Health			
Public Health: Community Food Co-ordinator	0.028	0.000	0.000
Public Health: Vaccination Bus	0.300	0.000	0.000
Public Health: Rough Sleeping Drug and Alcohol Treatment Grant	0.271	0.000	0.000
Public Health: Outreach support for rough sleepers, people living in encampments, Gypsy Roma and Traveller community.	0.075	0.000	0.000
Public Health: Testing	1.350	0.000	0.000
Public Health: Vaccination deployment	0.700	0.000	0.000
Public Health: Surge Testing	0.723	0.000	0.000
Public Health Consultant & Health Protection Practitioner	0.130	0.000	0.000
ASC and Public Health Total	13.743	0.000	0.000
Children & Families			

C&F: Care placements, support packages into homes to safeguard children particularly but not exclusively children with SEND and/or severe emotional and mental health needs	1.700	0.000	0.000
C&F: Additional staffing resources	1.529	0.000	0.000
C&F: Block booking placements	0.060	0.000	0.000
C&F: PPE for Children's Services (including Leaving care)	0.030	0.000	0.000
C&F: Other Children's related expenditure.	0.005	0.000	0.000
C&F: Increased support for care leavers, increased allowances and cost of accommodation.	0.015	0.000	0.000
C&F: Increased in Short Breaks (JSDC)	0.100	0.000	0.000
C&F: Play equipment (JSDC)	0.025	0.000	0.000
C&F: Our voice parent forum (JSDC)	0.010	0.000	0.000
C&F: Additional home care for children with complex medical needs (JSDC)	0.030	0.000	0.000
C&F: Outside safe areas to increase contact facilities	0.068	0.000	0.000
C&F: Youth Services	0.027	0.000	0.000
C&F: Delays in final hearings due to backlog at Courts	0.152	0.000	0.000
C&F: Covid-19 Reward Payments (JSDC)	0.003	0.000	0.000
C&F: Configuration of laptops provided by the DfE for care leavers	0.016	0.000	0.000

C&F: Youth Participation Consultation & Engagement Recovery Project	0.028	0.000	0.000
Children & Families Total	3.798	0.000	0.000
Education			
Education: SEND support staff	0.120	0.000	0.000
Education: pilot after-school provision for supervised independent study at four Enfield secondary schools (a further £300k for primary is also committed reducing the current contingency of £341k)	0.218	0.000	0.000
Education Total	0.338	0.000	0.000
Place			
Homelessness Service	1.900	0.000	1.900
Development Management Planning	0.131	0.000	0.000
Strategic Planning & Design	0.000	0.080	0.000
ARG Grant and Welcome Back Fund	3.207	0.000	0.000
Highways Services (Loss of income from advertising on Highways)	0.000	0.050	0.000
Traffic & Transportation – loss of income from TFL	0.037	0.238	0.000
Parking Services	0.034	2.598	0.000

Regulatory Services	0.000	0.063	0.000
Cemeteries	0.000	(0.050)	0.000
Waste Operations	0.674	0.064	0.000
Commercial Waste Services	0.000	0.033	0.000
Street Scene Services	0.132	0.000	0.000
Parks Operations and Parks Activities & Engagement	0.117	0.044	0.000
Leisure Services	0.000	0.358	0.000
Fleet Services	0.448	0.000	0.000
Passenger Transport Service (Swims)	0.000	0.090	0.000
Construction Maintenance Facility Management (CMFM)	0.020	0.050	0.000
Community Mass Testing Programme & Mobile Testing Units + Covid Marshals & Locally Supported contact tracing + Mortuary	2.788	0.000	0.000

Meridian Water Team & Meridian Water Meanwhile Use Income	0.000	0.060	0.000
Strategic Property Services	0.071	0.176	0.000
General Fund - Community Halls & Youth Centres	0.000	0.182	0.000
Place Total	9.559	4.036	1.900
Resources			
Winter Grant/ Local Support/ Household Support	4.376	0.000	0.000
Practical Support for those Self Isolating	0.998	0.000	0.000
Customer Experience: Financial Assessments staff overtime	0.174	0.000	0.000
Customer Experience: Civica on Demand Extra staff – Benefits	0.300	0.000	0.000
Customer Experience: Additional Financial assessment staff	0.085	0.000	0.000
Customer Experience: Additional Resources in Income & Debt service post COVID recovery	0.342	0.000	0.000
Customer Experience: Inc & Debt staff time	0.023	0.000	0.000
Customer Experience: Inc & Debt agency staff	0.055	0.000	0.000
Customer Experience: Inc & Debt Civica on Demand	0.418	0.000	0.000
Digital: Overtime	0.025	0.000	0.000

Digital: H&S equipment such as cleaners, storage, safe disposal, collection of equipment	0.005	0.000	0.000
Digital: Changes to 4th floor/Basement layout	0.015	0.000	0.000
Digital: Additional remote working devices	0.250	0.000	0.000
Digital: Adjustments to allow people with Disability to work remotely	0.020	0.000	0.000
Digital: Increased correspondence with customers to improve collection rates impacted by Covid-19	0.102	0.000	0.000
Customer Experience: Community Hub Lead	0.045	0.000	0.000
Customer Experience: Customer Services additional agency staff	0.175	0.000	0.000
Self Isolations Payments	0.608	0.000	0.000
Schools Catering service income	0.000	0.483	0.000
Music Service	0.000	0.000	0.000
Libraries service income	0.000	0.177	0.000
Other Resources services loss of income e.g. recharges	0.000	0.247	0.000
Resources Total	8.016	0.907	0.000
Corporate			
Corporate: Share of increase mortuary and coroners' provision across London.	0.000	0.000	0.000

Corporate: Personal Protective Equipment across all Council services	0.150	0.000	0.000
Corporate: Communications with residents, banners, posters and guidance	0.030	0.000	0.000
Other miscellaneous costs	0.112	0.000	0.000
Corporate: Covid-19 Pressures Contingency	0.341	0.000	0.000
Corporate: Support for vulnerable groups and targeted community interventions - Housing	0.019	0.000	0.000
COMF: Prevention etc	0.250	0.000	0.000
Corporate Total	0.902	0.000	0.000
Covid-19 Total	37.348	4.943	1.900

[Return to Covid-19 Narrative](#)

Use of Capital Receipts in 2021/22

Appendix H

2021/22 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
People		
Children & Families	0.037	Investment in year 1 of the “Break the Cycle” initiative within Children and Families services. The start of the project has been delayed.
Children & Families	0.181	Investment in Youth Development project ‘Nexus’ and Early Help interventions.
Education	0.008	Investment in Nexus project
Chief Executive		
Communications	0.041	Reflects transfer of Communications post from the Transformation team to the Communications team.
Corporate Strategy	0.025	Digital Development Programme (Digital Infrastructure & Inclusion)
Resources		
Digital Services IT		
Digital Services	0.297	To develop business cases for new projects as part of the Portfolio’s pipeline. This will start in 2020/21 with £60k forecast, however, if there are any delays to recruitment then this will carry forward to 2021/22.
Transformation	0.844	The Transformation Service manages a diverse Portfolio of Programmes, designing, planning and managing activity on behalf of Directors across the council, hiring and managing specialist IT and

2021/22 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		other resources, as required for each individual project. This includes delivery of new operating models, structures, processes and culture driven by user needs and enabled by technology. Capital receipts are used to support the funding of the following programmes: Payments, Children’s Transformation, Build the Change, Customer Experience.
Place		
Waste	0.068	Recycling Improvements in Flats
Total to be funded from the Flexible Use of Capital Receipts 2021/22	1.501	

[Return to Capital Receipts Narrative](#)

Appendix I

Achievement of Savings and Income in MTFP

Savings by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0.000	0.000	2.485	0.440	(1.500)	1.425
New 2020/21	0.800	3.485	2.113	0.850	0.000	7.248
Savings Total	0.800	3.485	4.598	1.290	(1.500)	8.673

Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0.050	0.100	1.659	0.140	0.000	1.949
New 2020/21	0.000	0.120	2.255	0.000	0.000	2.375
Income Total	0.050	0.220	3.914	0.140	0.000	4.324

Total Savings & Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0.050	0.100	4.144	0.580	(1.500)	3.374
New 2020/21	0.800	3.605	4.368	0.850	0.000	9.623
Total	0.850	3.705	8.512	1.430	(1.500)	12.997

Total Savings & Income by Department by Risk Status	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
Blue	0.000	0.819	1.363	(0.600)	(1.500)	0.082
Green	0.850	2.066	3.354	1.250	0.000	7.520
Amber	0.000	0.719	1.145	0.780	0.000	2.644
Red	0.000	0.100	2.650	0.000	0.000	2.750
Total	0.850	3.705	8.512	1.430	(1.500)	12.997

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Savings & Income Monitor

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
CEX	CEX		Income	Improve our registration offer to local residents	1.5	(50)
		Full Year Effects				
CEX	CEX	New Savings/Income Proposals	Saving	Staff Restructures	3.5	(800)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	ASC	New Savings/Income Proposals	Savings	Recommissioning & Procurement	0.0	(190)
People	ASC	New Savings/Income Proposals	Savings	Independence & Wellbeing Senior Management Restructure – Staffing	0.0	(180)
People	ASC	New Savings/Income Proposals	Savings	Learning Disabilities Care Purchasing	0.0	(325)
People	ASC	New Savings/Income Proposals	Savings	Reduced cost of DOLs (Deprivation of Liberty Safeguards)	0.0	(25)
People	Public Health	New Savings/Income Proposals	Savings	Staff Reductions in the Commissioning Team and the Smoking Cessation Team – Service Reduction	0.0	(100)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	ASC	New Savings/Income Proposals	Savings	Use of Technology	1.5	(40)
People	C&F	New Savings/Income Proposals	Savings	Review of threshold in financial assessment of new Special Guardians	1.5	(80)
People	Education	New Savings/Income Proposals	Savings	Reduction in the Children Centre Service – Service Reduction	1.5	(50)
People	Education	New Savings/Income Proposals	Savings	Career Service Restructure – Service Reduction	1.5	(46)
People	Education	New Savings/Income Proposals	Savings	DSG Substitution - no impact on services	2.5	(100)
People	ASC	New Savings/Income Proposals	Savings	Staff Reduction – Service Reduction	3.5	(750)
People	C&F	New Savings/Income Proposals	Savings	Care Leavers commissioning and benefit maximisation - Efficiency	3.5	(500)
People	C&F	New Savings/Income Proposals	Savings	Service Restructure – Service Reduction (excluding frontline staff)	3.5	(500)
People	C&F	New Savings/Income Proposals	Savings	Children in Care – reduction	5.0	(210)
People	ASC	New Savings/Income Proposals	Savings	Maximise use of block contracts and in-house services	7.0	(389)
People	ASC	New Savings/Income Proposals	Income	Additional income	7.5	(120)
People	ASC	Full Year Effects	Income	Increased income through fees and charges for chargeable Adult Social Care Services	10.0	(100)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place		Full Year Effects	Saving	Rationalisation of property estate	0.0	(640)
Place		New Savings/Income Proposals	Saving	Bring forward operational property consolidation	0.0	(390)
Place		Full Year Effects	Income	Reprofiled Holly Hill Bunding Income	0.0	600
Place		Full Year Effects	Saving	Parking Contract Renewal	0.0	(35)
Place		Full Year Effects	Saving	Additional LED street light savings	0.0	(260)
Place		Full Year Effects	Income	Waste Savings - Place element of the £2.5m over 2 years	0.0	(700)
Place		New Savings/Income Proposals	Income	Additional income from Green Waste collection as demand for service has exceeded initial projections	0.0	(250)
Place		New Savings/Income Proposals	Saving	Morson Road rent review	0.0	(200)
Place		Full Year Effects	Income	Southgate Cemetery - Mausoleum and Vaulted graves sales	0.0	149
Place		Full Year Effects	Income	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	0.0	(6)
Place		New Savings/Income Proposals	Saving	Close canteen	0.0	(18)
Place		Full Year Effects	Income	Meridian Water Meanwhile use income	0.0	387
Place		New Savings/Income Proposals	Saving	Further review of property portfolio	1.5	(80)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place		Full Year Effects	Saving	Insource Cleaning Contract ongoing efficiencies	1.5	(50)
Place		Full Year Effects	Income	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	1.5	(60)
Place		New Savings/Income Proposals	Income	Traffic Orders	2.5	(125)
Place		New Savings/Income Proposals	Income	Parking charges	2.5	(100)
Place		Full Year Effects	Income	Genotin Road Car Park Redevelopment	2.5	(1,579)
Place		Full Year Effects	Income	Inflation uplift on external clients and receipts income	2.5	(180)
Place		New Savings/Income Proposals	Income	Enforcement efficiencies	2.5	(200)
Place		New Savings/Income Proposals	Saving	Review of property portfolio	3.0	(50)
Place		New Savings/Income Proposals	Income	Bunding Income (one off in 2021/22)	3.5	(400)
Place		New Savings/Income Proposals	Income	Additional Income due to 5% increase in Fees & Charges	3.5	(280)
Place		New Savings/Income Proposals	Income & Saving	Reduction in highways service	3.5	(250)
Place		Full Year Effects	Income	Building Control Plan Drawing Service	4.5	(30)
Place		Full Year Effects	Income	Market Rentals for Council Properties	4.5	(20)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place		Full Year Effects	Income	Sub-stations rent reviews	4.5	(50)
Place		New Savings/Income Proposals	Saving	CMFM reduction in agency staff	5.0	(125)
Place		Full Year Effects	Income	Increase in fee income in the planning service	5.0	(170)
Place		New Savings/Income Proposals	Saving	Reduce building maintenance	7.0	(500)
Place		New Savings/Income Proposals	Income	Planning Income - Expanding Services	7.5	(100)
Place		New Savings/Income Proposals	Income	Planning - expand services	7.5	(150)
Place		New Savings/Income Proposals	Income	Whitewebbs Lease income	10.0	(100)
Place		New Savings/Income Proposals	Saving	Reduction in Highways Services	10.0	(100)
Place		New Savings/Income Proposals	Income	Review of Parking Permit Charges	10.0	(150)
Place		New Savings/Income Proposals	Income	Economic Development Team	10.5	(400)
Place		New Savings/Income Proposals	Saving	Facilities Management Review	10.5	(400)
Place		Full Year Effects	Saving	Temporary Accommodation - Future Years	15.0	(1,500)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Resources		Full Year Effects	Saving	Procurement saving resulting from replacing our digital customer platform	0.0	600
Resources		Full Year Effects	Saving	Payments Programme - new system allowing efficiencies in Exchequer	1.5	(60)
Resources		Full Year Effects	Saving	Rationalisation of telephony contracts	2.5	(200)
Resources		Full Year Effects	Income	Digital support to the UK immigration and visa verification service	2.5	(140)
Resources		New Savings/Income Proposals	Saving	Catering Service efficiencies	2.5	(200)
Resources		New Savings/Income Proposals	Saving	Staffing efficiencies within Resources Department	3.5	(650)
Resources		Full Year Effects	Saving	Greater automation to reduce staff resources in administering DWP notifications	5.0	(60)
Resources		Full Year Effects	Saving	Customer Service Centre demand reduction and channel shift	5.0	(100)
Resources		Full Year Effects	Saving	Application Rationalisation - ongoing reduction of other applications	5.0	(200)
Resources		Full Year Effects	Saving	Reducing costs associated with data storage	7.5	(300)
Resources		Full Year Effects	Saving	Online forms and ability to upload information required to go into back-office systems for revenues and benefits	7.5	(120)

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Dedicated Schools Grant	Forecast Variance Q3 (£m)
Early Years Block	0.585
Schools and Central Services Blocks	(0.610)
High Needs Block The main pressures are within the High Needs Block and relate to the development of additional in borough provision, an increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools and the development of early intervention strategies.	5.248
DSG Total	5.223

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Appendix L

Reserves	Balances Reported in Outturn Report £m	Provisional Outturn 31 March 2021 £m	Forecast Transfers 2021/22 £m	Forecast Balance 31 March 2022 £m
General Fund				
Risk Reserve	(20.527)	(21.006)	(1.617)	(22.623)
Covid-19 Reserve 2020/21	0.000	(0.433)	0.433	0.000
Covid-19 Reserve 2021/22+	(10.000)	(10.000)	0.000	(10.000)
Balance Sheet Management	(2.000)	(3.040)	0.000	(3.040)
Collection Fund Equalisation EM reserve	(10.542)	(24.396)	5.819	(18.577)
Housing Benefit Smoothing Reserve	(9.566)	(9.566)	4.290	(5.276)
Adult Social Care Smoothing Reserve	(3.697)	(3.697)	1.400	(2.297)
North London Waste Authority Reserve	(1.349)	(1.349)	0.000	(1.349)
Medium Term Financial Planning Smoothing Reserves	(37.154)	(52.481)	11.942	(40.539)
MRP Equalisation	(17.138)	(18.765)	0.121	(18.644)
Interest Rate Fluctuations	(4.663)	(4.663)	0.000	(4.663)
Capital Financing Reserves	(21.801)	(23.428)	0.121	(23.307)
Service Specific Reserves	(11.161)	(11.161)	(3.903)	(14.857)
Property	(2.101)	(2.101)	0.590	(1.511)
S31 Relief Grant	\$(16.554)	0.000	0.000	0.000
Covid-19 Grant	(4.288)	(4.288)	3.982	(0.306)
Other Grant Reserves	(10.842)	(10.954)	1.722	(7.705)
Grants & Other Contributions	(15.130)	(15.242)	5.704	(8.011)

General Fund Usable Reserves Sub Total	(124.429)	(125.419)	12.837	(110.848)
Insurance	(7.021)	(7.022)	0.000	(7.022)
General Fund Balance	(13.950)	(13.950)	0.000	(13.950)
Total General Fund Reserves and Balances	(145.400)	(146.390)	12.837	(131.819)
HRA				
HRA Repairs Fund	(6.174)	(10.064)	(0.111)	(10.175)
HRA Insurance	(0.323)	(0.323)	0.000	(0.323)
Total HRA Reserves	(6.497)	(15.368)	(11.607)	(26.974)
HRA Balance	(4.623)	(9.943)	(0.235)	(10.178)
Total HRA Reserves and Balances	(11.120)	(25.311)	(11.842)	(37.152)
Schools				
Schools' Balance	0.241	0.242	0.000	0.242
Dedicated Schools' Grant	^8.069	0.000	0.000	0.000
Total Schools' Reserves and Balances	8.310	0.242	0.000	0.242
Total Reserves and Balances	(156.54)	(171.459)	20.121	(168.730)

The S31 reliefs were shown as a separate item in the Outturn report. The balance is in the Collection Fund equalisation Reserve balance for the final outturn.

^ The dedicated Schools Grant deficit balance is no longer reported in the Earmarked reserves and as per accounting regulations is shown as an unusable balance in the Council Statement of Accounts.

[Return to Reserves Narrative](#)

Contain Outbreak Management Fund

Appendix M

MHCLG Category	Expenditure Breakdown	£m's
Support for vulnerable groups and targeted community interventions	Continuation of housing and support to protect rough sleepers from Covid-19	1.700
	Corporate: Support for vulnerable groups and targeted community interventions	0.220
	Housing: Emergency bed spaces for rough sleepers	0.961
	Public Health: Outreach support for rough sleepers, people living in encampments, Gypsy Roma and Traveller community.	0.075
Testing	Public Health: Surge Testing	0.723
	Public Health: Testing	1.350
Vaccine deployment	Public Health: Vaccination deployment	0.700
	Public Health: Vaccination Bus	0.300
	Vaccination Centre	0.003
Compliance and Enforcement: COVID-19 Secure Marshals or equivalents (including overtime)	Env & Ops: Covid-19 Marshalls	0.487
Compliance and Enforcement: Environmental Health Officers (EHOs) (including overtime)	Env & Ops: EHOs for outbreak control and implicated premises	0.063
Compliance and Enforcement: other activities and staff	CEX: Communications & Marketing	0.120
	CEX: Communications Officer	0.046
	Env & Ops: Covid-19 compliance officers	0.055
	Env & Ops: Locally Supported contact tracing	0.264
Other	C&F: Increased in Short Breaks (JSDC)	0.100
	C&F: Our voice parent forum (JSDC)	0.010
	C&F: Outside safe areas to increase contact facilities	0.068
	C&F: Play equipment (JSDC)	0.025
	COMF Other	0.130
Other: Prevention, management of local outbreaks and data intelligence, surveillance and communications.	ASC: Outside Safe areas	0.200
	C&F: Covid-19 Reward Payments (JSDC)	0.003
	COMF: Prevention etc	0.021
	PPE Waste, Street Scene and Parks, PTS Services additional costs due to Covid-19.	0.019
Total		7.874

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London Borough of Enfield**Cabinet****Meeting Date: 9 March 2022**

Subject: Updated School Condition and Fire Safety Programme 2022/23 to 2023/24 (Schools Capital Programme)**Cabinet Member: Cabinet Member for Children's Services**
Executive Director: Executive Director of People**Key Decision: KD5383****Purpose of Report**

1. The report outlines the People Schools Capital Programme for inclusion in the Council's Capital Programme.
2. The report also outlines the Council's landlord responsibilities undertaking major capital projects at school buildings to ensure the safety and wellbeing of school pupils and staff, whilst also maintaining the Council's assets. The report's restricted Appendix A outlines the planned high priority school building works for 2022/23 to 2023/24.

Proposal(s)

That Cabinet:

3. Grant the approval to spend the 2022/23 and 2023/24 Capital Budget of £21.098m and £6.520m as set out in section 37.
4. Agree the proposed programme of works including professional and technical expenses detailed in the restricted Appendix A of this report and allowance for emergency schemes proceeding up to the total two-year indicative Programme total value of £42 Million (which includes previously approved schools programme KD5210, Cabinet 3rd March 2021) and become part of the Council's future capital programme.
5. As previously agreed by Cabinet approval (Condition and Fire Safety Programme 2021/22 to 2023/24) to continue to delegate authority to the Executive Director of People to:
 - (i) approve tenders for individual projects or schemes of aggregated value up to a maximum of £500,000 including professional and technical expenses;
 - (ii) manage the Programme's individual project budgets so the overall budget remains within approved resources. This is to take account of variations between estimates and tender return costs and the potential need to substitute schemes having a greater technical priority if the need arises; and

(iii) allocate any contingency provision (up to a maximum of £350,000 including professional and technical expenses) to emergency projects and/or to schemes identified as priority but not yet programmed.

That Cabinet notes:

6. Procurement and award of the works contracts including entering into the contracts for each will conform to the Council's Contract Procedure Rules and standing orders.
7. Contract award for professional services and works above £500,000 will also conform to the Council's standing orders with approval sought at the appropriate authority level, following the key decision process as required.

Reason for Proposal(s)

8. Under the Scheme for Financing Schools, the Council retains responsibility for major items of repair in schools. A programme of projects has been collated to rectify and repair items of a high technical or strategic priority for consideration in 2022/23 to 2023/24.
9. The Council as Corporate Landlord has responsibility for major works at schools and seeks to employ the latest technology and energy saving improvements to contribute towards the Climate Change Agenda where it is practical and feasible to do so.

Relevance to the Council Plan

10. Sustain strong and healthy communities

The Borough needs to ensure appropriate social infrastructure is in place for Enfield's population. The proposed projects will contribute the procurement of construction related activity within the borough and its associated employment and economic benefits.

Background

11. The Council as Corporate Landlord is responsible for major works to address the condition of community and foundation schools. Such works mainly relate to building structure, roof replacement and electrical and mechanical services. When renewing building elements and services the designs take account of the latest technology and energy saving improvements to contribute towards the Climate Change Agenda by replacing life expired building elements with new more efficient equipment and materials.
12. Previously approved projects have been progressing well with some having been completed and some currently in progress.

Those completed include

- Fire safety works across 4 schools
- Window replacements to 4 schools
- Roofing works to 6 schools

- Heating/ hot water improvements to 9 schools
 - Electrical upgrades to 4 schools
 - Other major works such as drainage, security, structural repairs, toilet refurbishments, access improvements etc have been undertaken over a number of schools.
13. In addition to the condition related works mentioned above, other major projects have been progressing to provide the much needed additional SEND places including some in the mainstream schools as set out below:
- An extension and external works at West Lea Special School (Haselbury Campus) providing additional specialist accommodation to support previously extended provision of complex learning needs.
 - Remodelling of Durants Lower School to provide five classrooms providing forty additional places for pupils with complex needs
 - Refurbishment of modular unit for Waverley School located at Honilands Primary School providing thirteen additional places for pupils with complex needs
 - Creation of an ASD Satellite unit for Russet House School At Suffolk Primary School providing fourteen additional places.
 - Continuing to progress the construction of the new Fern House School that will provide additional twenty-two places for SEMH pupils in early 2023.
 - Completing the design for the new sixth form block with additional SEN unit at Winchmore Secondary School planned for completion in summer 2023. This will provide twenty places for pupils complex learning needs as well as one hundred fifty Post-16 places for existing mainstream pupils currently provided at Broomfield School.
 - Installation of a modular building at Oaktree Special School to provide nine additional places for pupils with complex learning needs. Plans are being progressed to for further extend provision by forty places phased over 2022/3 and 2023/4.
14. The Education Strategic Resourcing & Partnerships Team (ESRP) are continuing to work collaboratively with the Construction Maintenance and Facilities Management Team (CMFM) and the Climate Action & Sustainability Team to look at how Public Sector Decarbonisation Scheme (PSDS) funding can be utilised to support the delivery of condition/maintenance projects, where life expired elements can be replaced with low carbon options to help reduce the carbon emissions from our schools. Future building condition surveys will be consider decarbonisation/energy saving opportunities to ensure that opportunities to access PSDS funding opportunities as they arise with predetermined schemes. Recent examples of such schemes are;
- a. Capel Manor School - following the failure of two gas fired water heaters the Schools Capital Programme supported the first phase of works to urgently replace one water heater on a like for like basis to ensure the school could continue to operate and remain open. The second water

heater is to be replaced with a low carbon electric solution . This hybrid solution ensures the hot water demand can be delivered in advance of any major decarbonisation plans for this school.

- b. Swan Annexe - Gas boilers had failed at the site being used by West Lea School. Original proposals were to replace this with a new gas boilers. Works are now being undertaken to connect the building to the Energetik Heat Network which will provide a low carbon heat. The Schools Capital Programme will support the hire of a temporary boiler plant and replacement of the internal heating pipework and radiators to facilitate efficient connectivity to the heat network.
 - c. Swan Annexe – Consideration is being given to upgrading rooflights to reduce heat loss to create greater energy efficiency .
15. The School Capital Programme is developed considering the previous approved de-delegated funding for schools to undertake small scale capital works. Schools are expected to undertake work which fall below the De minimis limits of £15,000 for primary and special schools and £25,000 for secondary schools from these allocated resources.
 16. Projects have been prioritised for inclusion in the Programme based on technical information from condition surveys commissioned by CMFM and school estate strategies, such as increasing the availability of SEND school places. Further condition surveys will be commissioned on the basis of a three-year rolling programme to inform the prioritisation of projects in future Schools capital programmes. Going forward these surveys will consider opportunities for decarbonisation and energy efficiency work in line with the Council's Climate Action Plan.
 17. To maximise resources available to school condition projects and school development projects all available funding has been aggregated to provide a single capital programme. This is achieved by pooling central Government Grants and developer contributions into a single People's Capital Programme for Schools.
 18. A proposed programme for 2022/23 and 2023/24 has been formulated to address the highest priority condition items. Projects have been selected as far as possible according to the extent of urgency using the Department for Education definitions.
 19. The previously approved high priority strategy of expanding the Special School estate is also factored into the developed capital programme.
 20. The Schools' capital programme is currently entirely funded from Central Government Grants and Section 106 Developer contributions. When available further funding will be sought from the PSDS to ensure Enfield School contribute to the Council's decarbonisation targets.
 21. The current and future projects providing additional school places are:

SCHOOL	PROJECT	ADDITIONAL SEND PLACES
Fern House	Rebuild. and expansion of special school.	Additional 24 places
Winchmore	Sixth Form and Autistic Unit	150 existing Mainstream places and an additional SEN 20 places
Oaktree ITS	Whole school expansion	Additional 41 places

22. Following a successful bid to the Department of Education (DfE) an additional seventy Social Emotional and Mental Health (SEMH) places at a new secondary special free school, to open in 2022/23. The new school will be managed by the Edmonton Academy Trust.
23. Special school expansion initiatives have been developed in consultation with Special Schools, Special Education Needs Team and internal technical advice from CMFM.
24. A Corporate initiative to investigate options for new Special School(s) is underway and viability studies of a number of potential school sites are being evaluated.

Main Considerations for the Council

25. The Council as Corporate Landlord is responsible for major works to address the condition of community and foundation schools. Such works mainly relate to building structure, roof replacement and electrical and mechanical services.
26. The increase of special school places supports the invest to save in the special school sector by reducing the number of high costs out of borough placements for children with special education needs.

Safeguarding Implications

27. The proposed capital works will ensure the schools remain a safe environment. The works concerned will be undertaken in full accordance with Health and Safety and CDM Regulations.

Public Health Implications

28. Good quality accommodation and external learning environment to create spaces for continued and sustained learning development, social integration and well-being

Equalities Impact of the Proposal

29. An Equality Impact Assessment has been carried out. A strategy has been developed to ensure that there are sufficient pupil places across the Borough to meet demand, that these places are not discriminatory and to ensure that all children have access to quality education.

Environmental and Climate Change Considerations

30. Enfield Maintained Schools make up a significant proportion (approximately 30%) of the Council's direct carbon emissions. Supporting maintained schools to reduce these emissions is a focus of the Council's Climate Action activity. As well as supporting behavioural change, there will need to be improvements to school buildings and sites, which deliver improved thermal efficiency, decarbonise heat sources, increase the generation of renewable energy and increase offsetting and resilience, for example through tree planting and SUDS.
31. The Schools Capital Programme is a significant opportunity to deliver high value improvements so when making investments carbon reductions will be a key consideration:
 - a. Proposed capital works programme will be developed to align with the Council's Climate Action Plan and 2030 Carbon Neutrality target from Scope 1 & 2 emissions from the Council's corporate operations, include maintained school estates.
 - b. The capital works programmes will be coordinated to respond to and utilise future funding and financing opportunities (e.g. Salix grants and loans) to support the decarbonisation of school estates, including energy efficiency and heat decarbonisation works.
 - c. The ongoing and future capital works programme will also be aligned with the corporate retrofit programme to decarbonise the council's estate, with a focus on energy efficiency upgrades along with heat decarbonisation through heat pumps and connection to the heat network, ensuring a holistic approach is taken.
 - d. When renewing building fabric elements, opportunities to increase the thermal efficiency will be considered, such as improved insulation or glazing performance. Building fabric improvements will ensure improved health and wellbeing of occupants with a consideration for improved climate resilience, with designs taking into account opportunities to improve thermal comfort, natural ventilation and provide resilience to future effects of climate change
 - e. When replacing or upgrading heating systems, an options appraisal of low carbon technology will be undertaken to consider feasibility of ground source heat pumps, air source heat pumps and heat network connections as the preferred approach. Heating system technologies will be assessed against carbon, capital cost and cost to end user. Where possible heating replacement projects will be aligned with retrofit programmes and external funding opportunities.

- f. Works to building heating systems and distribution will be designed with a long-term view to enable heat decarbonisation, for example providing suitable connections and controls for compatibility with alternative technologies such as heat pumps and connection to the heat network.
 - g. Works to building electrical systems will be designed with a consideration for energy saving opportunities, through replacements with lower-energy fixtures, improved controls and ensuring future capacity is considered for additional loads such as EV charging and renewable energy generation technology, such as Solar PV.
32. In practical terms, a feasibility study has been undertaken on a large-scale school boiler replacement to provide a comparison between conventional gas fired boiler replacement and the use of Heat Pump technologies. The initial finding is that the Heat Pump option is more expensive in the first instance but the installations whole life costing is a consideration for the Council going forward. Officers are pursuing this area of emerging improved technology and actively researching support towards the initial installation cost. Other options explored include schools connecting to the district heating system.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

33. Unless the Council is able to continue a comprehensive condition programme, there will be a serious risk of building closures due to failure of structure, electrical services or heating plant. Health and safety issues will also arise without a significant investment in for example fire safety improvements.
34. The Council will not realise savings from the investment made in the Special school estate.
35. Procurement of both professional service and construction contracts will be undertaken through the Council's Contract Procedure Rules.
36. Risk register(s) will be maintained at both the Capital Programme and individual project levels. Mitigating action will be implement as necessary.

Financial Implications

37. This report is seeking approval of the budgets for 2022/23 and 2023/24 which totals £21.098m and £6.520m respectively (the approved programme). There is also an indicative amount of £8m in the 2022/23 and £1.480m in the ten-year capital programme, which will require separate approval (Requested Additions) prior to being available to spend. The table below analyses the approved and Requested Addition budgets(which are subject to approval)

Capital Programme (£000s)	2022/23	2023/24*	2024/25*	2025/26*	2026/27*	2027/28 – 2031/32*	Total	Funding Sources
Strategic Schools Places Programme	11,110	1,600	0	0	0	0	12,710	Education and Skills Funding Agency (ESFA)
Schools Maintenance	9,988	4,920	0	0	0	0	14,908	ESFA
Total Approved Programme	21,098	6,520	0	0	0	0	27,618	
Schools' Future Programme (Requested Addition)	8,000	1,480	8,000	8,000	8,000	40,000	73,480	ESFA
Total Education Capital Programme	29,098	8,000	8,000	8,000	8,000	40,000	101,098	

**assumed funding – funding not yet allocated*

38. This report seeks approval for Capital Spend for 2022/23 and 2023/24 (£21.098m and £6.520m respectively; funding for additional years has yet to be allocated by ESFA and are assumed at current levels).
39. The Schools' capital programme is entirely funded from Central Government Grants. In addition, further contributions from Section 106 Developer contributions may be used to finance in-year Capital expenditure but the level of contribution will not be confirmed until the end of the financial year when the capital programme is financed. In such circumstances the Capital grant will be carried forward and the equivalent S106 funding will be applied to finance the in-year Capital spend.
40. The proposed works detailed in restricted Appendix A are an amalgamation of previously approved schemes, which are carrying over from previous years programmes and new priority schemes starting in 2022/23 to 2023/24.
41. The schools' capital programme is entirely funded via external sources. Funding is provided annually by the Education and Schools Funding Agency through its LA Basic Needs and Maintenance grants to support the Council's schools' capital programme.
42. Revenue implications from these projects will be contained within existing school budgets.
43. The updated programme will be reviewed and updated as part of the quarterly capital monitoring reporting processes.

Legal Implications

44. Section 14 of the Education Act 1996 (as amended) requires a local education authority to ensure that sufficient school places are available within the borough for children of compulsory school age. Case law upon this statutory duty confirms that compliance with the duty requires an education authority to

actively plan to remedy any shortfall. Further, section 27 of the Children and Families Act 2014 requires local authorities to consider the extent of provision in their area and whether it is sufficient to meet children and young people's educational needs, training needs and social care needs. Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of its functions.

45. Under the Regulatory Reform (Fire Safety) Order 2005 and the Fire Safety Act 2021, the Council as landlord must ensure that its buildings are safe from fire, that it carries out regular and periodical risk assessments and ensure that tenants, operatives, employees, visitors to the buildings and members of the public will always have access to an unrestricted escape route. As landlord, the Council must ensure that fire doors are correctly installed, that a safe escape route is provided and that fire, smoke and fume resistant emergency lighting capable of resisting these effects so as to allow safe evacuation of the building is installed. Accordingly, the Council is required to carry out fire safety works detailed in this Report. The Council must closely monitor the Building Safety Bill and further fire safety secondary legislation to ensure that, when enacted, any legal requirements on the Council are implemented.
46. In addition, the Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals generally may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.
47. The increase of school places will be subject to the statutory consultation prescribed by Section 19 of the Education and Inspections Act 2006, and the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 (Prescribed Alterations Regulations). The Council should further comply with the statutory guidance 'Making significant changes ('prescribed alterations') to maintained schools' October 2018 when exercising functions under the Prescribed Alterations Regulations for each school expansion. The proposals must be published and then the statutory consultation process followed. This consultation process needs to follow general consultation principles.
48. Where Planning Permission is required pursuant to section 57 of the Town and Country Planning Act 1990 ("the 1990 Act") in respect of any school site expansion that proceeds beyond feasibility considerations and initial consultation with schools, such will be accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2015. This will require statutory and public consultation. Pursuant to section 316 of the 1990 Act, regulation 3 of the Town and Country Planning General Regulations 1992 and the Council's constitution, the decision as to whether to grant planning consents will be a matter for the Council's Planning Committee. Works should not commence until such time as approval is given and any pre-

commencement conditions (if required) by the planning permissions are discharged.

49. The proposals represent a Key Decision as they are over £500,000 in value. The Council must therefore comply with its governance process in respect of Key Decisions.
50. When procuring and awarding contracts pursuant to this Report, the Council must comply with its Contract Procedure Rules, the Public Contracts Regulations 2015, and its obligations with regard to obtaining best value under the Local Government Act 1999. Any use of frameworks must comply with the framework terms and must be after due diligence on the framework by the Procurement and Commissioning Hub.
51. All contracts should be in a form approved by Legal Services on behalf of the Director of Law and Governance.

Workforce Implications

None foreseen

Property Implications

52. The property implications for the programme of works within this report are intrinsic within it. As individual projects come forward, the property implications of these will be identified and addressed at the appropriate time.

Other Implications

53. None noted

Options Considered

54. Projects have been prioritised for inclusion in the Programme based on technical information in condition surveys commissioned by CMFM through external consultants.

Conclusions

That Cabinet agree:

55. Grant the approval to spend the 2022/23 and 2023/24 Capital Budget of £21.098m and £6.520m.
56. Agree the proposed programme of works including professional and technical expenses detailed in the restricted Appendix A of this report and allowance for emergency schemes proceeding up to the total two-year indicative Programme total value of £42 Million (which includes previously approved schools programme KD5210, Cabinet 3rd March 2021). and become part of the Council's future capital programme.

57. As previously agreed by Cabinet approval (Condition and Fire Safety Programme 2021/22 to 2023/24) to continue to delegate authority to the Executive Director of People to:

(i) approve tenders for individual schemes or schemes of aggregated value up to a maximum of £500,000 including professional and technical expenses;

(ii) manage the Programmes individual project budgets so the overall budget remains within approved resources. This is to take account of variations between estimates and tender return costs and the potential need to substitute schemes having a greater technical priority if the need arises; and

(iii) allocate any contingency provision (up to a maximum of £350,000 including professional and technical expenses) to emergency projects and/or to schemes identified as priority but not yet programmed.

That Cabinet notes:

58. Procurement and award of the works contracts including entering into the contracts for each will conform to the Council's Contract Procedure Rules and standing orders.

59. Contract award for professional services and works above £500,000 will also conform to the Council's standing orders with approval sought at the appropriate authority level, following the key decision process as required.

Report Author Keith Rowley
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Date of report 14 December 2021

Appendices

Restricted Appendix A

Background Papers

Nil

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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London Borough of Enfield**Cabinet****09 March 2022**

Subject: Approval for Award of Rail Main Contractor**Cabinet Member: Cllr Nesil Caliskan****Executive Director: Sarah Cary****Key Decision: 5311**

Purpose of Report

1. Cabinet report ref KD 4711 delegated authority to enter into a contract for the HIF works. Given the value and following the conclusion of a competitive tender process, this report seeks approval of the selection of a preferred contractor and entry into contracts for the delivery of rail infrastructure works at Ponders End station, which will enable the increase of rail frequency at Meridian Water station.
2. The Housing Infrastructure Fund Grant Determination Agreement (“**HIF**”) entered into by Council in October 2020 with the Department for Levelling Up, Housing and Communities (“**DLUHC**”) pursuant to which funding will be made available for the delivery of the rail works) requires the Council to complete the rail works by 31st March 2024. The works will be forward funded by the Council and reimbursed by the HIF on a quarterly basis once funding goes unconditional, expected in March 2022
3. This report seeks approval to award a Pre-Construction Services Agreement (“**PCSA**”) and, subject to satisfactory performance of PCSA obligations, a subsequent NEC4 construction contract for the completion of the works.

Proposal(s)

4. Approve the appointment of the preferred contractor, Bidder A, based on GRIP stage 3 design information for the delivery of a programme of strategic rail infrastructure works at Ponders End to facilitate the uplift in train frequency at Meridian Water station as set out in part 2 of this report.
5. Approve the entry by the Council into a PCSA with the preferred contractor.
6. Delegate authority to award the NEC4 contract to Bidder A to the Director of Development subject to (i) unconditional availability of funding from DHLUC under the HIF Grant Agreement, (ii) agreement of design and prices that are

within the required project scope and budget (iii) all necessary licences and approvals for works being granted by Network Rail.

7. Subject to availability of sufficient funds in the approved capital budgets delegate authority to approve and enter into subsequent variations to scope under the contract to the Meridian Water Development Director.
8. Approve for the additional expenditure of £9.3m for the main works to be forward funded in 2022/23 and 2023/24 from the Capital Programme subject to unconditionality of the HIF funding. This is in addition to the previously approved HIF budget. The forward funding will be reimbursed quarterly from the Housing Infrastructure Fund (HIF funding) up to £53.9m until the end of 2023/24. Refer to paragraph 10.

Reason for Proposal(s)

9. Strategic rail infrastructure is required to provide 4 trains per hour at Meridian Water station to facilitate the growth expected at Meridian Water between 2024 and 2041. The agreed approach with relevant rail stakeholders is the introduction of a passing loop at Ponders End station to enable stopping services at Ponders End station to be overtaken by fast services. This allows an increase of stopping services at Meridian Water Station.
10. It is intended that the entirety of the rail infrastructure works will be funded by the HIF grant. It is a requirement of HIF Grant Determination Agreement that the funding is claimed by 31st March 2024. The Council will be unable to claim HIF funding for any works completed after 31st March 2024. The Council therefore needs to appoint a contractor to commence the Strategic Rail Infrastructure Works in time to claim 100% of the funding available to it.
11. The original project programme had GRIP 4 design being completed prior to the appointment of the main contractor and commencement of GRIP 5. However, due to delays of the design to date, alternative methods for delivering the work have been investigated. The preferred method to mitigate design delays is to enter into a PCSA with the preferred contractor to enable critical path activities in the NEC4 contract to be brought forward to protect the funding expiration date of March 2024.
12. Subject to satisfactory performance of the PCSA obligations, the Contractor is expected to be appointed under a NEC4 works contract in the Summer 2022 to build upon the PCSA and commence GRIP 5 design work, with GRIP 6 construction works commencing in early 2023. The construction works are estimated to take around 12 months on site to complete.
- 13.
14. The PCSA period coincides with the preliminary expenditure phase of the HIF agreement which allows the Council to be reimbursed by DLUHC for costs incurred by the PCSA works.

Funding Timeline



Relevance to the Council Plan

15. **Good homes in well-connected neighbourhoods:** The recommendations in this report will enable the delivery of the strategic rail infrastructure works. The construction of these key pieces of infrastructure will allow more frequent train services from Meridian Water in the morning and evening peak times.
16. **Safe, healthy and confident communities:** The HIF Rail Works will include ecological and diversity assessments in line with Network Rail standards. The rail works will contribute to the achievement of long-term carbon emission goals, through improved energy efficiency, helping others make more carbon efficient journeys, which reduces the need to use a car. These works can also contribute to the health and wellbeing of the existing and future communities in the area
17. **An economy that works for everyone:** The delivery of strategic rail works will unlock the Meridian Water area and significantly increase accessibility of the site, especially by public transport. It is expected that increased accessibility will support local businesses, as well as attract new jobs and business growth in the area supporting Enfield residents and the local economy.

Background

18. In July 2018, Cabinet approved the submission of a funding application to DLUHC (formally Ministry for Housing, Communities and Local Government (MHCLG)) for HIF funding to deliver strategic infrastructure works at Meridian Water.
19. The Housing Infrastructure Fund is a government capital grant programme from the MHCLG aimed at unlocking housing sites and helping deliver new homes.
20. In early December 2018 a funding bid for the HIF was submitted to central government by the GLA on behalf of Enfield Council. The HIF is a government capital grant programme from the **DLUHC** aimed to unlock housing sites and help deliver new homes.
21. The scope of works proposed for HIF funding includes rail enhancement works (HIF Rail Works) and strategic road and flood alleviation works (HIF Site Works). These works are required as a first phase of strategic infrastructure to unlock housing delivery in Meridian Water.

22. In August 2019 Central Government announced that the Council's bid had been successful. The grant agreement was entered into between the Council and DLUHC on 30th October 2020.
23. In order for the Council to claim the maximum amount of HIF Grant available to it, all Strategic Rail Infrastructure Works (SRIW) must be completed before the delivery deadline of 31st March 2024. To ensure timely delivery ahead of the funding deadline, the Council has commenced with the necessary procurements in advance of confirmation that all conditions to funding have been satisfied.
24. As this project is being developed as new rail infrastructure, as funded by a third party (DLUHC) and delivered by a non-rail entity (Enfield Council) it was agreed that project governance should be dictated by the Department for Transport process called "Rail Network Enhancements Pipeline" (RNEP). The Network Rail Governance for Railway Investment Projects will be the process for ensuring the third-party design complies and integrates with Network Rail standards. The optioneering stage of the RNEP process is called Scheme Outline Business Case as approved in 2019, and it is with this document that the project and its stakeholders consisting of Network Rail, DLUHC, Greater Anglia, Department for Transport, Transport for London, Greater London Authority and others agreed that the Option called 4A1 – Bronze Option is the most effective and efficient option to take forward.
25. The Outline Business Case was developed through 2020 and approved by Department for Transport in August 2020.

Through 2021 and 2022, the Full Business Case was developed, accompanied by Letters of No Objection from Network Rail and Greater Anglia. The Council expects the Department for Transport to approve the Full Business Case on 20 March 2022. This is the final step of approvals from industry partners for delivery of rail infrastructure. The Council expects the award of the works contract to occur in July 2022. The approval of the Full Business case is a pre-requisite for the Council to enter into the NEC contract.

26. Stakeholders are periodically informed via monthly progress meetings on the programme, progress of procurement, design, land acquisitions and key deliverables as stipulated in the Grant Determination Agreement.

Team

27. The early-stage design, GRIP (Governance for Railway Investment Projects) stage 1-2, was undertaken by:
- Network Rail (NR) as the operator and maintainer
 - CPMS (Egis) as the rail project managers, and
 - OVE ARUP as the business case specialists.

The later stage design, GRIP 3-4 work is being undertaken by:

- NR, as operator, maintainer and design approver

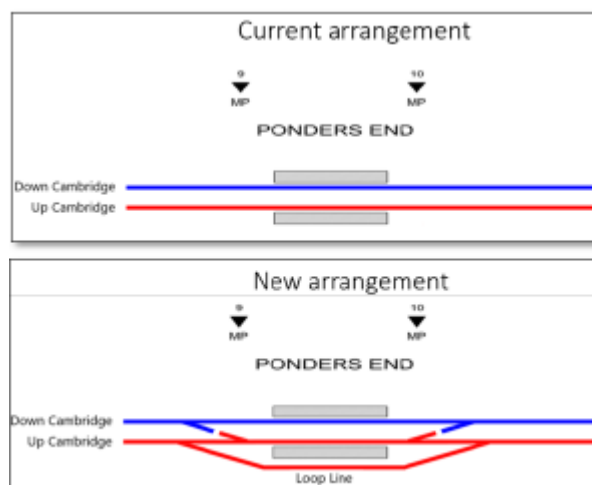
- OVE ARUP as the business case specialists.
- CPC Project Services as the rail project managers, and
- WSP UK Ltd as the designers who will ensure that the passing loop design is formally approved by Network Rail.

28. The Meridian Water Rail Team has appointed a Rail PMO (CPC Project Services), with the expertise and experience to lead the project and support with the project through GRIP 3-GRIP 8
29. A separate procurement has been completed to appoint contract management services for this contract (see KD 5170). This will ensure high quality project and cost management is applied to the construction contract.
30. The contractor procurement was carried out in close collaboration with the Council's internal Legal and Procurement teams. This to ensure the procurement process is carried out in compliance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

Scope of Works

Currently the rail infrastructure at Ponders End Station consists of 2 main running lines called the Cambridge Up (trains running up towards London) and the Cambridge Down (trains running down towards Cambridge). This only allows a certain amount of trains per hour through the Meridian Water station and Ponders End station.

The intent of the project is to increase the number of trains at Meridian Water station by holding the stopping services at Ponders End station whilst fast trains pass around them. To enable that, the diagram below shows the changes to the rail infrastructure required, most notably the introduction of the loop line around platform 1 and the cross overs from the Down to the Up.



See Appendix 1 for Schematic of Existing platforms with proposed solutions

31. The work to construct the new infrastructure comprises: de-vegetation works, pilling, general site clearance and site spoil removal, sheet and bored piling, overhead line equipment works, Mechanical and Electrical works, signalling works, build and installation of new line and installation of plain line track.

32. A more detailed list of deliverables by the Contractor is provided below:

- a) Surveys—validation and extension of GRIP 4 as deemed necessary.
- b) GRIP 5 –Detailed Design -Individual Discipline Reports
- c) CIVILS – Design, construction, and acceptance of installation of bored and sheet piling for ground retention and overhead line equipment stanchions, site level reduction and spoil removal
- d) M&E – design and installation of mechanical and electrical components
- e) OVERHEAD LINE EQUIPMENT – Design, construction and acceptance of Overhead Line Equipment foundation, heights and staggers
- f) SIGNALLING – Design, construction and acceptance of Signalling Scheme Layout, Specification, Control Tables, Signal Sighting, Signal test strategy, Bonding Plan, Panel Layout
- g) TELECOMS – Design, construction and acceptance of telecommunications (cabling) in compliance with Network Rail standards.
- h) TRACK – Design, construction and acceptance of permanent way / plain line track including ballast.
- i) ERGONOMICS – Design, construction and acceptance of Network Rail signalling personnel ergonomics at the Integrated Electronic Control Centre (Signalling depot).
- j) ELECTROMAGNETIC COMPATIBILITY (EMC) – Design, construction and acceptance of earthing and bonding of new assets installed as part of this contract.
- k) Common Safety Method –Risk Evaluation and Assessment, Safety Justification Report, Safety Assessment Report, Declaration

Licences and Land Transfer to Network Rail

33. The project is being delivered wholly within the rail corridor, as such Network Rail agrees that the works fall under Town and Country Planning Part 18 Permitted Development without prior approval ('notification'). However, proposals with any bridges will require engagement and prior approval Enfield Council during 2022.

34. As of March 2022, all land required for the project that is not owned by Network Rail will be transferred to Network Rail. This process has been managed by Network Rail.

35. Under the Network code as stipulated by DfT, specific licences required to enter Ponders End Station do not exist to carry out works on the station. The process is carried out under the 'Station Change' process as part of the normal rail project processes. Any specific works by the contractor on the station needs to be sufficiently detailed for Greater Anglia to accept prior to works commencing.

Procurement Process and Contract Approach

36. Given the estimated value of works exceeded the public procurement threshold it was determined to go out to tender for the rail contractor. On the 05 of February 2021, the Programme Director - Meridian Water gave approval (MW103);
- a) to proceed with the procurement of a design and build GRIP 5 to 8 contractor via a restricted procedure route.
37. The procurement process was conducted as a two-stage procurement process:
- a) An initial call for competition where a shortlist of bidders is selected in the first stage (determine interest)
 - b) Invitation to Tender (select successful supplier)
38. In January 2021, the Council's rail advisors undertook a market research analysis of the industry to understand the appetite and competence of contractors who would be interested in delivering the Meridian Water rail project. The top 20 contractors within the rail environment were contacted, in particular, contractors that had worked with Network Rail (NR) previously and were on the Network Rail's top 20 contractors list for revenue.
39. The Contract Notice was issued on 15 April 2021. The Contract notice contained the 'Selection Questionnaire' (SQ) for return on 17 May 2021. The purpose of the SQ was to enable a shortlist of bidders.
40. Five bidders returned selection questionnaire on 17 May 2021. The return was evaluated by Enfield Council's Rail Programme Manager, the rail PMO for the Council technical and delivery expert), the rail PMO for the Council (Technical and commercial expert), Enfield Council's Sustainability Lead and Enfield Council's Social Value Lead.
41. Three bidders were subsequently shortlisted to proceed to the ITT stage.
42. See Confidential Appendix for scores.
43. The final Tender was issued on 06 October 2021 and returned on 13 December 2021. The tenders were evaluated against criteria below:

Criteria	Weight
Technical score (including Sustainability and EDI)	70%
Price (comprising 5% robustness + 25% pricing submission)	30%

44. The tender return was evaluated by panels comprising senior officers in the Meridian Water Team and Enfield's professional consultants. Separate evaluation panels were set up for the Technical Section, Social Value, Sustainability and Price. Evaluation panel members were briefed on the evaluation process.

Evaluation Panels included:

- Meridian Water Rail Lead;
- PMO Project Lead

- PMO Senior Project Manager
- Specialist sustainability and social value officers in the Meridian Water team and from the PMO
- External consultants including: Commercial Manager and a sustainability expert
- Procurement oversaw the process and carried out moderation meetings on the tender returns to agree the scoring.

Two bids were received from bidders which have relevant experience and are suitable to carry out the Strategic Rail Infrastructure Works. The third shortlisted bidder withdrew during the process for commercial and technical reasons. Each provided compliant bids and met the Council's minimum requirements. Bids received included technical responses on quality and resource, as well as proposed programmes, risk and opportunities registers, and sustainability component. The bidders provided a social value score using the social value portal.

45. See Confidential Appendix for scores.

Main Considerations for the Council

46. The current design, procurement works and PCSA are covered by the agreed preliminary cost phase and draw down of this money is ongoing. The Council will be unable to claim HIF funding for any works completed after 31st March 2024 or for works which do not comprise part of the Council's HIF bid.
47. Following award of the contract the newly procured rail contractor will work in collaboration with Enfield Council and the PMO to drive the delivery of the HIF Rail Works under the contractual arrangements of the contractor's appointment and within the context of the Council's vision and objectives.
48. The project programme requires the rail contractor to be appointed under the PCSA prior to 20 April 2022 and under full contract by 15 August 2022. It should be noted that the introduction of a PCSA at this stage is beneficial to the project as it brings forward critical path activities such as de vegetation and site clearance, ordering of long lead items such as plain line rail, securing of key equipment such as in demand engineering trains and booking of possessions required to do the works.
49. For context, there are only 11 x 52 hour or long possessions (periods of time where trains do not run, allowing construction work to take place) per year positioned sporadically through the calendar. The contractor will prepare for these possessions at least 52 weeks in advance. Planning on the railways dictates the major works required for the project take place inside these long possessions so construction work can carry on without live electricity in the overhead line equipment and the danger of running trains through the works site. If a PCSA were not to be entered into, the organising of the long lead items, site clearance, planning for engineering trains etc could not commence until the late summer 2022, a delay of 4-5 months. The implication is that if the project were to miss opportunities to book engineering trains (generally 12

month lead time), the sporadic nature of the 52 hour possessions could mean the project is delayed by 5-7 months.

50. The successful bidder has demonstrated the required expertise and experience to deliver the tasks set out in this report.
51. As explained in Relevance to the Council's Plan, this appointment is critical to unlocking development that contributes to the Council's priorities.

Safeguarding Implications

52. The recommendations in this report do not have any safeguarding implications.

Public Health Implications

53. Climate change has been described as the greatest threat to public health in the 21st Century. With that in mind, Meridian Water is committed to zero-carbon construction, renewable and sustainable resources and to generate more energy than it uses. This is in line with Enfield Council's pledge to become a carbon neutral local authority by 2030.
54. The appointment of a rail contractor will enable the Council's pledge by bring understanding and best practice to the delivery of zero carbon construction. The Tender documentation includes mandatory biodiversity requirements in line with Network Rail environmental standards as well as the Meridian Water Environment and Sustainability Strategy. The appointment of the rail contractor therefore has positive public health implications.

Equalities Impact of the Proposal

55. The Council has a duty to promote equality, diversity and inclusion, and it recognises the issue of diversity specifically within the construction sector.
56. The bidders' approach to Equality, Diversity and Inclusion has been assessed as part of the tender process.
57. The Council has a duty to promote equality, diversity and inclusion and wishes to recruit staff and contract with organisations that reflect the Borough's diverse population, it also recognises the issue of diversity specifically within the construction sector. The project has stipulated within the tender documentation that the contractor has an obligation to provide at least:
- 100 hours of community engagement for youth in the Edmonton ward, or wider borough if necessary.
 - 3 x rail apprentices through collaboration with the College of North East London
58. The tenders submitted in response to the Council's ITT were evaluated against price (30%) and quality (70%). 2% of the quality score is attributed to Equality, Diversity and Inclusion and 8% to Social Value

59. Bidders were asked also to complete Equality and Diversity monitoring forms to be submitted as part of their tender response, albeit the information included within the forms did not form part of the assessment.
60. An Equalities Impact Assessment (EQIA) by Ottaway Strategic Management Ltd was commissioned by the Council to consider the impacts of the Meridian Water (Strategic Infrastructure Works) Compulsory Purchase Order. The EQIA concluded that there are no direct negative equality impacts identified against any of the protected characteristics. However, there are some groups with protected characteristics who are likely to experience proportionately higher consequences of the regeneration of Meridian Water and these are:
- a) White other staff, including Eastern European, Turkish and Greek
 - b) BAME Staff
 - c) Women in properties in third party ownership; and
 - d) Older members of the workforce potentially less able to re-engage in the labour market if their jobs are lost to the relocation programme.
61. The EQIA proposed several mitigation measures to address these indirect impacts which the Council intends to implement including the implementation of effective equalities monitoring by the Council and development and construction partners. The EQIA also acknowledges significant potential positive impacts of the regeneration of Meridian Water (including for example, new homes, social infrastructure and employment growth) and that these benefits will likely impact on all the aforesaid groups having protected characteristics.
62. An EQIA was also prepared by the Council's Strategic Planning Team to support the ELAAP submission. The planning application for Phase 2 was also subject to an EQIA. The Phase 2 application was accompanied by a socio-economic analysis as part of the Environmental Statement. No substantive negative impacts to persons or groups with protected characteristics were identified

Environmental and Climate Change Considerations

63. The Council has a goal to become carbon neutral by 2030. Meridian Water aims to use zero-carbon construction, renewable and sustainable resources, generate more energy than it uses, foster active travel and support low-carbon communities. It should be noted that Meridian Water will not have any ownership or influence over the infrastructure assets once it is brought into service. It will be maintained and operated by Network Rail and Greater Anglia.
64. The Rail contractor will not be the sustainability lead for the project but will have a key role working within the project team to deliver a scheme design that meets the objectives set out in the Meridian Water Environmental and Sustainability Strategy (ESS). Accordingly, within the ITT the bidders were asked (having considered the ESS guidance for schemes 'launched' between 2020 and 2024) how they would achieve the ESS objectives in light of the following headings:

- a) Carbon Positive
- b) Environment Positive
- c) Zero Waste and Circular

65. Bidder A's submission demonstrates that they have been active in advising their clients on best practice for reduction of carbon consumption within their development projects. Indicative examples include using composite recycled plastic sleepers carbon offsetting, ecological assessments etc.

Risks that may arise if the proposed decision and related work is not taken

66. **The Council will need to fund (all or part of) SRIW at its own cost.** If no contractor is appointed to commence services/works in relation to the SRIW, this is likely to mean that construction will be delayed such that works might extend beyond 31st March 2024 – the deadline for funding of costs by HIF grant. The Council will be responsible for meeting costs of works that extend beyond 31st March 2024.

67. **The Council may be required in future to pay back any HIF grant advanced and further funding may be withheld.** Infrastructure start on site and completion are milestone dates in the HIF grant contract (GDA) so if the Council fails to meet these dates and DLUHC determines that such failure amounts to a breach of the Council's obligations, then the Council may be required to pay back any grant already advanced and further funding may be withheld.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

68. **Risk: Results of the tender may be challenged**
Bidders may disagree with the Council on evaluation scores, and in particular on the price component. Prices submitted by the bidders were normalised to enable a fair assessment of pricing submissions on an equal basis. Evaluation of the price component was on the basis of these normalised prices. If bidders disagree with how their submitted prices were normalised, they might challenge the results of the tender.

Mitigation: Bidders were informed of evaluation criteria and scoring definitions through the ITT. Bidders were made aware that the prices would be subject to normalisation. The ITT contained description of elements and method of normalisation. Returns were normalised based on post tender clarifications received from the bidders. The project team have evaluated the tender returns and normalised in accordance with the ITT in order to compare the tenders on a like for like basis.

69. **Risk: Impact of late works on the GDA Funding Requirements:**
The Grant Determination Agreement requires the works and therefore all funding to be expended by March 2024. Through the delivery of the project

there may be compensation events due to the contractor that prolong the construction duration period past the March 2024 funding expiration date.

Mitigation: During early 2021, the Meridian Water rail team undertook early market engagement with potential contractors to understand any issues that could discourage bidders or cause risk thereby placing resultant risk on the viability of the project. To manage the risk with regards to programme and funding envelope, robust governance systems continue to be in place to review issues, risks and programme. Ongoing reporting procedures between Council and DLUHC is in place and will continue monthly until the works are complete. Risk reduction meetings will be held to consider ways to minimise change and delays to the project. The current programme estimates that the works will be completed in Q4 2023.

70. **Risk: The appointed contractor does not provide value for money**

There is a risk that the works are not delivered within the budget, therefore Enfield Council is required to fund the difference between the amount stipulated in the Grant Determination Agreement and the out-turn costs of the project.

Mitigation:

1. The NEC A option for delivering the work is based on a fixed price lump sum amount and all relevant risks will be priced and managed by the contractor as is typical under this project's design and build form of contract. Any price adjustments will be in accordance with the contract.
2. The successful bidder is an established rail contracting firm with extensive experience, whom has previously delivered like for like infrastructure for Network Rail in the Anglia region. The Council received further pricing certainty as it is a requirement of the preferred bidder to re-price the works on a GRIP stage 4 design. This is a more robust and detail level of design than their winning bid. Enfield Council's appointed project managers are experienced in delivering rail infrastructure for Network Rail and will provide robust controls to monitor the performance of the successful bidder. Ongoing close management of their performance will provide comfort to the Council that the risk of overspend is reduced to as low as reasonably practicable.

3. Risk– if funding does not become unconditional, the council may be required to repay to DLUHC all amounts claimed as Preliminary Expenditure.

4. **Mitigation:** The project has successfully and proactively worked with key rail stakeholders through 2020 to present to demonstrate proper governance and processes for delivering rail infrastructure, particularly through the RNEP and GRIP governance of DfT and NR respectively. Officers hold regular briefing sessions with LUHC to ensure timely satisfaction of condition precedent to funding.

Financial Implications

71. See Part 2.

Legal Implications **MD 28th February 2022**

Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. It is therefore considered that the Council has sufficient powers for the Council to implement the proposals set out in this report.

Any procurement must be conducted in accordance with the Council's Constitution, including the Contract Procedure Rules, and the Public Contracts Regulations 2015. The manner in which the procurement has been conducted is described in detail in this report and in the Confidential Appendix.

It is intended that the rail infrastructure works will be funded from the Housing Infrastructure Fund (HIF). A grant agreement was entered into between the Council and the DLUHC on 30 October 2020 but as at the date of writing the availability of funding remains subject to the satisfaction by the Council of certain conditions to funding. Any works or services instructed before confirmation of availability of funding (including entry into the pre-construction services agreement ("PCSA") as described in this report) will be undertaken at the Council's risk. In the event that funding under the grant agreement does not become unconditional, then any DLUHC may demand repayment of any funds already paid to the Council. Officers must ensure continued compliance with obligations in the HIF grant agreement relating to the delivery of infrastructure works. The HIF grant agreement requires the Council to fund any cost overrun beyond the total budget allowed for rail works at its own expense.

The Council must ensure that the rail infrastructure works contractor complies with any asset protection agreement entered into between the Council and Network Rail. No works may commence without Network Rail Consent and confirmation that all required parcels of land are within Network Rail's ownership.

The Council must ensure value for money in accordance with the Best Value Principles under the Local Government Act 1999.

All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director of Law and Governance. Contracts whose value exceeds £500,000 are required to be executed under seal.

A guarantee must be provided prior to commencement of the NEC4 main works contract as security for the contractor's obligations under the main works contract. The Council may require a guarantee of the main contractor's obligations under the PCSA.

See also Confidential Appendix.

Workforce Implications

72. Nil

Property Implications

73. Nil

Public Health Implications

74. Nil

Procurement Implications

75. The procurement was undertaken using the E-Tendering Portal (ref DN528259) in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015). The Contract Notice was published on 15 April 2021 on the 'Find a Tender' portal under a Restricted procedure.

Following the Selection Questionnaire evaluation, 3 bidders were shortlisted to tender. The tender was issued on 6 October 2021, one bidder withdrew from the process citing commercial reasons. Two tenders were received on 13 December 2021, and the evaluation was carried out by a carefully selected panel. Moderation meetings were held week commencing 17 January 2022. A tender addendum for the inclusion of the PCSA was issued on 3 February 2022 and returned on 14 February through the E-Tendering Portal. The figures submitted with the PCSA tender addendum were used in the tender evaluation. Procurement Services were involved in the procurement and the process was carried out fairly and transparently.

In accordance with the CPRs the Supplier must be required to provide sufficient security. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes. As the NEC works contract is over £1M, the supplier must be required to provide sufficient security in accordance with Clause 7 (Financial Security) of Councils Contract Procedure Rules. The successful bidder has agreed to provide a Parent Company Guarantee as security.

A contract of this size must have a proper contract management schedule and measurable KPI's. This is to ensure that the contract is delivered and value for money is maintained. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the E-Tendering Portal including future management of the contract. In accordance with the Councils CPR's the service must ensure that a Contract Manager is nominated and allocated to the procurement once uploaded onto the E-Tendering Portal, and that the monitoring requirements are adhered to. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

Risk Management Implications

Nil

Options Considered

76. Do nothing

Doing nothing would leave the Council without the strategic infrastructure and prevent phase delivery at Meridian Water delaying provision of much needed affordable homes.

Conclusions

77. Given the importance of completing rail infrastructure works in time for the Council's priorities, Meridian Water development and meeting HIF funding conditions, it is recommended to approve the appointment of the contractor for strategic HIF rail works.

Report Author: Michael King
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Michael.king2@enfield.gov.uk

Date of report

Appendices

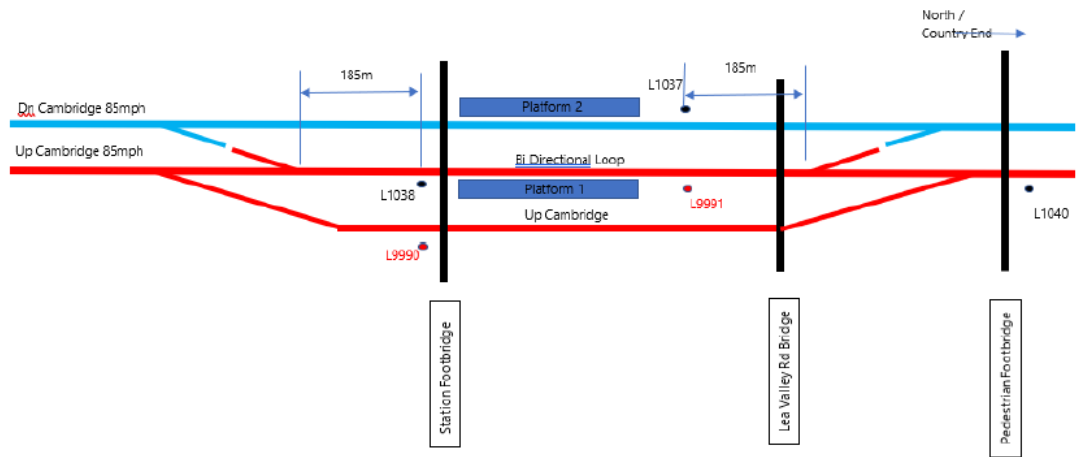
- Appendix 1: Schematic of the project
- Appendix 2: PCSA with scope of works.

Background Papers

The following documents have been relied on in the preparation of this report:

- [KD4711](#)
- [KD5085](#)

Appendix 1 – Schematic of Existing platforms with proposed solutions



Appendix 2 – PCSA Scope of works

The Pre construction services are to enable the main contractor to commence critical path activities whilst GRIP stage 4 design is ongoing. The intent of the activities is to bring forward such work that can be completed in the Spring and Summer of 2022 to protect the December 2023 infrastructure complete date.

The Services shall commence on 04 April 2022 and complete at the GRIP 4 stage gate. Therefore, when pricing these works allow for a period of: 04 April 2022 to 31 July 2022

1. Compile and submit to the Client for acceptance the Management Plans including but not limited to:

- All planned GRIP 5 survey Work Package Plans
- Work Package Plans: Intrusive Surveys, Ground Investigations, Trackbed Investigations, Cable Surveys. Geotechnical Interpretive Design Report. Further surveys may be instructed as required.
- Construction Phase Plan
- Quality Management Plan
- Traffic Management Plan
- Stakeholder Management Plan
- Construction Management Plan
- Engineering Management Plan
- Environmental Management Plan
- Site waste management plan
- Site Safety Plan
- Ecological Management Plan
- Communications Plans.
- De-vegetation WPPs
- ALO plan
- Sustainability Plan
- Temporary works design for Road Rail Access Points (RRAP)
- Production of associated safety document and temporary works design trackers

2. Provision of a watching brief throughout GRIP 4 design to ensure a rapid familiarisation of GRIP 4. This would include primarily engineering resource. Due to this familiarisation process, it is therefore expected that repricing of the GRIP 4 design will be completed within 03 weeks of GRIP 4 IDC/R information becoming available. The resources providing the watching brief may be requested to provide support to the Client to enable the project to benefit from their professional experience when reviewing the GRIP 4 design.

The Contractor should allow for:

1 x Design Manager (CEM) attendance at weekly GRIP 4 design meetings for the purposes of constructability. Note the Client may instruct attendance at other meetings as necessary.

Having attended the GRIP 4 IDC/R and preceding design meetings compile a constructability report considering the approach from GRIP 5 to 8:

Introduction & scope

- Background
- Observations (all disciplines)
 - (a) Design progress meetings
 - (b) IDC/IDR
 - (c) Overall design integration
 - (d) Operations
 - (e) Maintenance
- New emerging risks (incl. proposed management actions/mitigations)
- New emerging opportunities (cost and programme savings)
- Delivery challenges and constraints
- Conclusions – and detailed explanation to any impact on delivery strategy presented in the tender response.

3.1 Management required - Support for booking of Survey Possessions with NR's ASPRO team

3.2 Management required - Booking of required engineering trains in line with the Contractor's proposed methodology

4. Procurement of Long Lead Items: advanced purchase of the required amount of straight rail. Storage location to be nominated by the main contractor. *The contractor is to nominate and price all other long lead items that it believes could be purchased at low/no risk to the project given its stage of design development.*

5. Commence enabling works on site:

- a) Site clearance / de-vegetation to ground level. Root stock to be left in ground until main contract. Site clearance to be undertaken under ecological watching brief. Note, the Client would like to re-vegetate as early in the programme where possible.
- b) Removal and disposal of invasive species (if applicable) in accordance with appropriate regulations.
- c) Advise the client if there is there anything in the programme that prohibits the above.

- d) These are the minimum requirements the council is nominating. Please advise of further critical path works you believe would benefit the programme during the PCSA period.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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THE CABINET

**Draft list of Items for future Cabinet Meetings
(NOTE: The items listed below are subject to change.)**

MUNICIPAL YEAR 2021/2022

APRIL 2022

MUNICIPAL YEAR 2022/2023

1. **Montagu Industrial Estate – Resolution for a Compulsory Purchase Order (CPO)** Sarah Cary

This will seek approval for a resolution to make a CPO for the redevelopment of the Montagu Industrial Estate in order to provide modern, fit for purpose business space. **(Key decision – reference number 5121)**

2. **Housing Asset Management and Sustainability Strategy** Sarah Cary

This will seek approval to implement a new Housing Asset Management and Sustainability Strategy to inform investment decisions across the Council Housing portfolio as part of the Better Council Homes programme and in order to deliver safe, sustainable and well connected homes for the future. **(Key decision – reference number 5247)**

3. **North London Waste Plan** Sarah Cary

This will seek approval to the North London Waste Plan **(Key decision – reference number 5269)**

4. **Review of Enfield Repairs Direct** Sarah Cary

This will review the progress and performance of Enfield Repairs Direct and propose changes to the service delivery model. **(Key decision – reference number 5430)**

5. **Meridian Water Masterplan Version 2 and Financial Model** Sarah Cary

This will provide an overview of the Meridian Water Masterplan Vision and seek approval for its direction of travel and refinement. **(Key decision – reference number 5362)**

6. **Meridian Water Supplementary Planning Document: Draft for Public Consultation** Sarah Cary

This will seek approval for public consultation on the draft Meridian Water Supplementary Planning Document (SPD) **(Key decision – reference number 5375)**

7. **Meridian Water Design Guide and Infrastructure** Sarah Cary

This will provide an overview of the Meridian Water Masterplan Vision and seek approval for its direction of travel and refinement. **(Key decision – reference number tbc)**

8. **Meridian Water Community Housing Strategy** Sarah Cary

This will seek approval of the Meridian Water Community Housing Strategy. **(Key decision – reference number 5226)**