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THE CABINET

AGENDA

Wednesday, 14th December, 2022 at 7.00 pm in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA

Membership:

Councillors : Nesil Caliskan (Leader of the Council), Ergin Erbil (Deputy Leader of the Council), Abdul Abdullahi (Cabinet Member for Children's Services), Chinelo Anyanwu (Cabinet Member for Public Spaces, Culture and Local Economy), Alev Cazimoglu (Cabinet Member for Health and Social Care), Susan Erbil (Cabinet Member for Licensing, Planning and Regulatory Services), Rick Jewell (Cabinet Member for Environment), Tim Leaver (Cabinet Member for Finance and Procurement), Gina Needs (Cabinet Member for Community Safety and Cohesion), George Savva MBE (Cabinet Member for Social Housing)

Associate Cabinet Members (Invitees)

Councillors : Mustafa Cetinkaya (Enfield South East), Ayten Guzel (Non-geographical), Ahmet Hasan (Enfield North) and Chris James (Enfield West)

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.

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 - 6)

To confirm the minutes of the previous Cabinet meeting held on 12 October 2022.

5. ENFIELD MODERN SLAVERY STRATEGY 2023-28 (Pages 7 - 50)

A report from the Executive Director of People is attached. **(Non-Key)**

6. UPDATE TO CURRENT STRATEGIC COMMUNITY INFRASTRUCTURE LEVY SPENDING PRIORITIES (Pages 51 - 188)

A report from the Executive Director of Place is attached. **(Key decision – reference number 5549)**

7. QUARTERLY HOUSING REVENUE ACCOUNT (HRA) MONITORING 2022/23 QUARTER 2 (Pages 189 - 208)

A report from the Executive Director of Resources / Executive Director of Place is attached. **(Key decision – reference number 5498)**

8. HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN - MID YEAR UPDATE (Pages 209 - 228)

A report from the Executive Director of Resources / Executive Director of Place is attached. **(Key decision – reference number 5499)**

9. QUARTERLY REVENUE MONITORING 2022/23 QUARTER 2 (Pages 229 - 276)

A report from the Executive Director of Resources is attached. **(Key decision – reference number 5490)**

10. QUARTERLY CAPITAL MONITORING 2022/23 QUARTER 2 (Pages 277 - 312)

A report from the Executive Director of Resources is attached. **(Key decision – reference number 5497)**

11. HALF YEARLY TREASURY POSITION 2022/23 (Pages 313 - 336)

A report from the Executive Director of Resources is attached. **(Key decision – reference number 5496)**

12. DATE OF NEXT MEETING

To note that the next meeting of the Cabinet is scheduled to take place on Wednesday 18 January 2023 at 7.00pm.

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CABINET - 12.10.2022

**DECISIONS OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 12 OCTOBER 2022**

COUNCILLORS

PRESENT Nesil Caliskan (Leader of the Council), Ergin Erbil (Deputy Leader of the Council), Abdul Abdullahi (Cabinet Member for Children's Services), Susan Erbil (Cabinet Member for Licensing, Planning and Regulatory Services), Rick Jewell (Cabinet Member for Environment), Tim Leaver (Cabinet Member for Finance and Procurement) and George Savva MBE (Cabinet Member for Social Housing)

ABSENT Chinelo Anyanwu (Cabinet Member for Public Spaces, Culture and Local Economy), Alev Cazimoglu (Cabinet Member for Health and Social Care), Gina Needs (Cabinet Member for Community Safety and Cohesion), Mustafa Cetinkaya (Associate Cabinet Member for Enfield South East), Ayten Guzel (Associate Cabinet Member (Non-geographical)) and Chris James (Associate Cabinet Member (Enfield West))

OFFICERS: Ian Davis (Chief Executive), Fay Hammond (Executive Director Resources), Tony Theodoulou (Executive Director People), Joanne Drew (Director of Housing & Regeneration), Terry Osborne (Director of Law and Governance), Bharat Ayer (Safeguarding Service Manager), Suzanne Rowson (Head of Corporate Parenting), Doug Wilson (Head of Strategy and Service Development) and Jane Creer (Secretary)

Also Attending: Associate Cabinet Member (Invitee): Councillor Ahmet Hasan (Enfield North)
Local press representatives and officers and councillors observing

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Alev Cazimoglu, Gina Needs, Chinelo Anyanwu, Mustafa Cetinkaya, Ayten Guzel and Chris James.

Apologies for lateness were received from Councillor Ahmet Hasan.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 DEPUTATIONS

CABINET - 12.10.2022

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 14 September 2022 be confirmed as a correct record.

5 SAFEGUARDING ENFIELD ANNUAL REPORT 2021/22

Councillor Abdul Abdullahi (Cabinet Member for Children's Services) introduced the report of the Executive Director People presenting the report of the Safeguarding Partnership's activity to protect adults and children in 2021-22, and priorities of the partnership for 2022-23. Pressures and challenges were highlighted; but important progress had been made. Thanks were recorded on behalf of the Cabinet to the Independent Chair of the Safeguarding Adults Board and Scrutineer of the Safeguarding Children's Partnership, Geraldine Gavin.

DECISION: The Cabinet agreed to:

1. Note the key safeguarding risks facing vulnerable residents and the initiatives being carried out to prevent and tackle those issues.
2. Note the successes and challenges that have risen from safeguarding activity in the period 2021-22.
3. Commend the Safeguarding Enfield Annual Report 2021-22 to Council.

(Non Key)

6 ANNUAL CORPORATE PARENTING BOARD REPORT 2021/22

Councillor Abdul Abdullahi (Cabinet Member for Children's Services) introduced the report of the Executive Director People presenting the Corporate Parenting Board governance arrangements and activities in 2021-22, overview of the Board's responsibilities, and updates on key priorities and the positive action taken.

DECISION: The Cabinet agreed to:

1. Note the importance of the corporate parenting role, and everyone's responsibilities as corporate parents to looked after children and care leavers.
2. Note the successes and challenges that had arisen from corporate parenting activities in the period 2021-22.
3. Commend the Corporate Parenting Board Annual Report 2021-22 to Council.

(Non Key)

7 SECTION 75 AGREEMENT 2022-2023

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Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director People setting out proposals in respect of the Section 75 funding agreement (2022-23) between London Borough of Enfield and the North Central London Integrated Care Board (NCL ICB).

DECISION: The Cabinet agreed to:

1. Note proposals for the pooling of funding under a Section 75 Agreement (2022-2023).
2. Note and authorise the Council contribution to the Section 75 agreement of £33,147,300 as set out within para 37 of the report.
3. Delegate final amendment and formal sign-off of the Section 75 Agreement between Enfield Council and NCL ICB to the Director of Health and Adult Social Care as the approved statutory DASS (Director of Adult Social Services), in consultation with the Cabinet Member for Health & Social Care.
4. Delegate authority in respect of the in-year amendment of all schemes and funding arrangements within the Section 75 Agreement, in line with key decision thresholds, to the Director for Adult Social Care for Enfield Council which shall be subject to NCL ICB agreement, in alignment with government guidance published in 2019.
5. Note the requirement for 6 months' notice to be given, by each party for the variation of this agreement.
6. Delegate authority to extend the Section 75 Agreement (2022-2023) beyond 2022-2023 (subject to adequate budgetary provision), until such time that subsequent agreements for 2023-2024 are agreed and authorised.

The report sets out the options considered, if any, and the reasons for the recommendation and the decision.

(Key decision – reference number 5462)

8 MERIDIAN WATER SUPPLEMENTARY PLANNING DOCUMENT: DRAFT FOR PUBLIC CONSULTATION

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director Place (Acting), seeking agreement to the publication of the draft Meridian Water Western Bank Supplementary Planning Document (MWWB SPD) for public consultation under Regulation 13 of the Town & Country Planning (Local Planning) (England) Regulations 2012 as amended. A Supplementary Planning Document would provide detailed guidance and help coordinate development across the Western Bank area.

DECISION: The Cabinet agreed to:

1. Approve the draft MWWB SPD as set out in Appendix 1 to the report, for public consultation.
2. Delegate authority to the Director of Planning and Growth to agree the timing of the public consultation and to make any necessary and appropriate

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minor editorial amendments to the draft MWWB SPD in consultation with the Director of Development prior to it going out to statutory public consultation.
3. Note that following statutory public consultation, it is intended that the MWWB SPD will be brought back to Cabinet early 2023 for final approval.

The report sets out the options considered, if any, and the reasons for the recommendation and the decision.

(Key decision – reference number 5375)

9 QUARTERLY CORPORATE PERFORMANCE REPORT (Q1)

Councillor Ergin Erbil (Deputy Leader of the Council) introduced the report of the Executive Director Resources showing the Quarter 1 performance for 2022/23 (April 2022 – June 2022) and comparing it to the Council's performance across the previous four quarters for a series of Key Performance Indicators, and highlighting service areas that are subject to additional scrutiny where performance has fallen short of target.

DECISION: The Cabinet agreed to note, for information only, the progress being made towards delivering the key priority indicators for Enfield.

(Non Key)

10 COUNCIL TAX SUPPORT SCHEME 2023/24 CONSULTATION

Councillor Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director Resources seeking approval to consult on a proposal to amend the existing Council Tax Support Scheme by introducing a banded scheme. Councillor Leaver withdrew the proposal set out in para 6 of the report in respect of an increase in the minimum Council Tax payment.

DECISION: The Cabinet agreed to:

Consult on the proposal to amend Enfield's 2023/24 Council Tax Support scheme by introducing an earned income banded scheme for households in receipt of Universal Credit.

The report sets out the options considered, if any, and the reasons for the recommendation and the decision.

(Key decision – reference number 5514)

11 MEDIUM TERM FINANCIAL PLAN UPDATE 2023/24 - 2027/28

Councillor Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director Resources providing the annual update of the funding and spending assumptions in the Medium Term Financial Strategy, and bringing forward the first tranche of savings and

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income proposals to build a balanced budget for 2023/24. The pressures currently being experienced, particularly from high levels of inflation, were highlighted.

DECISION: The Cabinet agreed to:

1. Note the forecast preliminary budget gap of
 - £40.1m in 2023/24, prior to further actions and clarity on central government funding
 - £96.9m gap across the medium term to 2027/28, and the reasons driving the gap, notably inflation.
2. Note the scale of the challenge and the need for the organisation to consider different ways of operating in order to remain financially self-sustainable in the long-term.
3. Note the awaited consultation from Central Government on the local government funding regime for 2023/24 (and 2024/25 if a 2 year settlement consultation arrives as anticipated).
4. Agree early savings and income proposals of £8.334m set out in Appendix 3 of the report, including
 - £5.709m from efficiencies and demand management
 - £2.625m from income generationand to agree that these savings and income proposals should be delivered as soon as practically possible in the current financial year.
5. Note the continued prioritisation of investment in Adult Social Care and Children's Services required of £6.88m to meet demand and demographic pressures.

The report sets out the options considered, if any, and the reasons for the recommendation and the decision.

(Key decision – reference number 5488)

12 DATE OF NEXT MEETING

NOTED the next meeting of the Cabinet was scheduled to take place on Wednesday 9 November 2022 at 7:00pm.

13 SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND) PLACES DEVELOPMENT PROGRAMME

This agenda item was withdrawn and not considered at the meeting.

14 EXCLUSION OF THE PRESS AND PUBLIC

A resolution excluding the press and public from the meeting was not required.

15 SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND) PLACES DEVELOPMENT PROGRAMME

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Item 13 above also referred. This agenda item was withdrawn and not considered at the meeting.

The meeting ended at 4.50 pm.

London Borough of Enfield**Cabinet****Meeting Date 14.12.22**

Subject: Enfield Modern Slavery Strategy 2023-28**Cabinet Member: Cllr Alev Cazimoglu****Executive Director: Tony Theodoulou****Key Decision: Non Key**

Purpose of Report

1. Cabinet is asked to note the report and the work undertaken and refer the report to full council for noting.

Proposal(s)

2. To note the report and sign off strategy

Reason for Proposal(s)

3. Updating previous strategy

Relevance to the Council Plan

4. Good homes in well-connected neighbourhoods- The Modern Slavery Team works in local neighbourhoods to help disrupt criminal activity that will have a negative impact on our local communities.

Safe, healthy and confident communities- by targeting the gang masters in the UK and overseas we can, jointly with the police target the root of this heinous crime.

An economy that works for everyone- by fulfilling our statutory duties under the Modern Slavery Act 2015, the council has worked to ensure that our contracts are ethical and robust to mitigate the risks of modern slavery being in our supply chains.

Background

5. Modern slavery is a heinous crime that affects all communities of all ages, genders and nationalities. Modern slavery has become a high priority in recent years, with the Government identifying it as 'the greatest human rights issue of our time'. It continues to be the fastest growing international crime, the second largest source of illegal income for organised criminality and targets the very fabric of our society. It can take many forms, some well-known - such as sexual

exploitation, labour exploitation and domestic servitude - others less well recognised, such as organ harvesting, forced and sham marriage.

6. The London Borough of Enfield is at the forefront of tackling this crime and supporting survivors to recovery, as statutory modern slavery first responders, by being providers of social housing and safeguarding services for adults and children, and through our disruption activities via England's first Modern Slavery Team in a local authority.

7. London has been identified as a hub for county lines and criminal exploitation, with Enfield seeing its transport links being used to facilitate this awful crime. It is particularly important that councils are engaged with one another to help provide a targeted and coordinated response to see crimes reduce overall.

8. The Enfield Modern Slavery Strategy 2023-28 aims to be a handbook for professionals and members of the public to help understand the types of modern slavery, what the council aims to do, who has been affected and what can be done to put a stop to this crime.

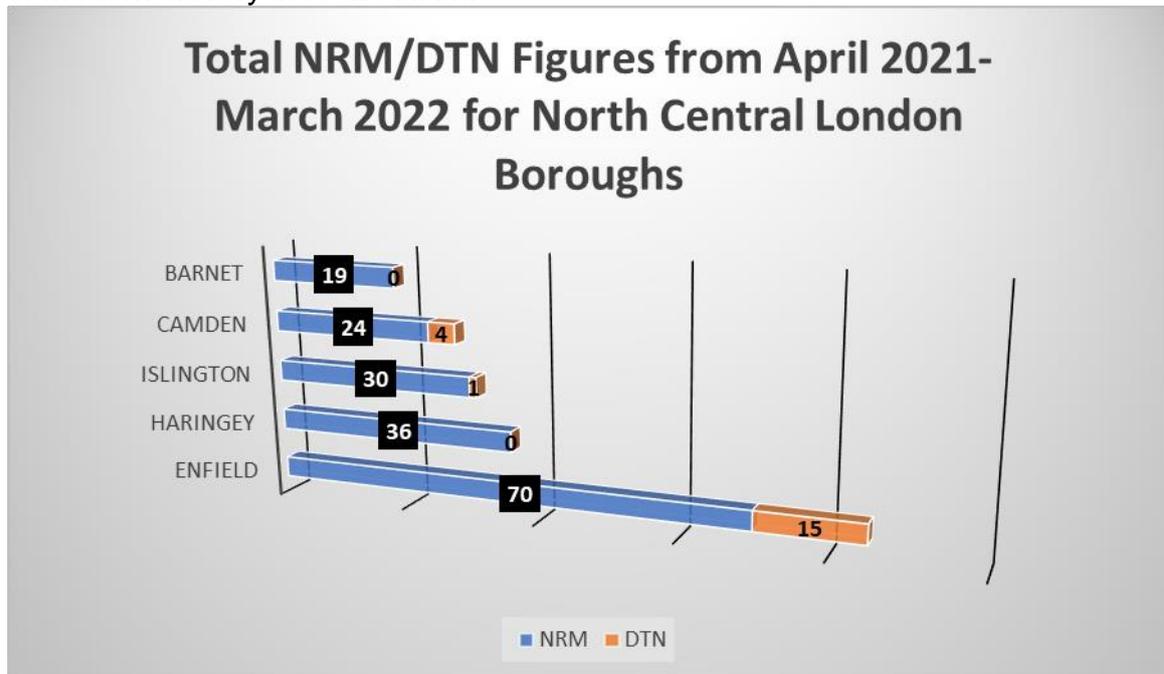
Main Considerations for the Council

9. There have been 106 referrals received into the team between 1st April 2021 -31st March 2022. These referrals have come from a number of different sources including Housing, Social Care teams, Anti-Social Behaviour teams, Business Rates team, Youth Justice Service, NHS partners, Police (both local and central) and third sector charities and organisations such as Victim Support and Enfield Women's Centre.

10. Strong pathways have been forged within Enfield Council to ensure a swift response to potential victims. The team arranged housing for 8 potential victims of modern slavery in partnership with our Enfield Council Housing colleagues, to bridge the gap between the National Referral Mechanism (NRM) referral and the NRM support commencing following the positive reasonable grounds decision.

11. The below graph demonstrates how the Modern Slavery Team and the action plan associated with the previous strategy have helped support potential victims

of modern slavery in to the NRM.



Safeguarding Implications

12. In Enfield, all cases of potential modern slavery are treated as possible safeguarding cases under s.47 Children Act 1989 and s.42 of the Care Act 2014. This is to ensure consistency with our response to the crime and to safeguard vulnerable children and adults in line with the local authorities First Responder duties and obligations under the Modern Slavery Act 2015

Public Health Implications

13. Safeguarding of adults at risk is recognised as a significant public health issue; preventing abuse and promoting of choice will increase wellbeing within these populations.

14. The strategy highlights the importance of the Modern Slavery Team working with local people and partners to promote an approach that concentrates on improving the quality of life for the adults concerned; being safe is only one of the things people want for themselves and there is a wider emphasis on wellbeing. The strategy emphasizes prevention of abuse and work within services that provide care to evidence engagement with those who use services.

Equalities Impact of the Proposal

15. A robust EQIA has been completed and determined that the strategy will not adversely impact any groups. This strategy should have a positive impact on all individuals and the team will work closely with local charities and our partners to ensure that all groups are supported. Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs. The EQIA has demonstrated the

importance of data collection and sharing with our partners to help target resources and to ensure that we can work with community based support to provide the most appropriate support to the potential victims.

Environmental and Climate Change Considerations

16. There are no Environmental and Climate Change Considerations.

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

17. By publishing a strategy, Enfield Council continues to demonstrate its commitment to meeting our legal duties under the Modern Slavery Act 2015. The Strategy helps to provide members of the public with a tool that can help educate and signpost Enfield residents with appropriate ways of responding to wider concerns,

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

18. There is a risk that members of the public will not know what the signs/causes of modern slavery are and that Enfield residents will not know how to raise their concerns. It is also important to demonstrate how the local authority utilises our resources in combating this crime and targeting our efforts on prosecuting offenders.

Financial Implications

19. There will be no changes to the current funding requirements. The team continues to function with a part time Team Manager and two full time Modern Slavery Investigators.

20. There are two PO1 posts which cost £100k (on current pay scales), with on costs and £20k training costs, totalling £120k as a result of this scheme.

21. This funding has been factored in to the long-term financial plan.

Financial Implications provided by M Johnson 20/10/22

Legal Implications

22. Local authorities have a statutory duty under the Modern Slavery Act 2015 to notify the Home Office when they come across potential victims of modern slavery. The duty is discharged by either referring a potential victim into the National Referral Mechanism (NRM) where they are a child or consenting adult, or by notifying the Home Office where an adult does not consent to enter the NRM. As a first Responder Organisation, local authorities have responsibility for identifying potential victims and making referrals into the NRM.

23. Local authorities also have a statutory duty to safeguard child victims of modern slavery under section 47 of the Children Act 1989 and vulnerable Adults at Risk under section 42 of the Care Act 2014.

24. In addition, under the Children Act 2004 local authorities and their partners (Police, NHS etc) have a duty to co-operate with a view to improving the well-being of children and to protect them from harm and neglect. Under s.11 of the Children Act 2004 a local authority and its partners have a duty to ensure that their functions are discharged having regard to the need to safeguard and promote the welfare of children.

25. There are also general co-operation duties under the Care Act 2014 between local authorities and their partners with regards to exercising functions under the Act with regards to people who have a need for care and support.

26. The Modern Slavery Strategy compliments the statutory duties above, demonstrates how the council is fulfilling its legal requirements and tackling modern slavery with its partners in the borough.

Legal implications provided by I Deuchars on 26/07/22

Workforce Implications

27. There are significant staffing challenges across adult social care nationally, regionally, and locally. The care sector has vacancies caused by changes in employment patterns, particularly increased competition for domiciliary care staff.

28. We have Social Work and Occupational Therapy vacancies across all teams. The staffing pressures are resulting in increased caseloads for current staff at a time when demand is also increasing, as seen in the Safeguarding Adults concern figures. We are also predicting 25% increased demand for Care Act 2014 assessments because of the social care reforms enacted from April 2023. The rising demand will compound our current difficulties concerning recruitment and retention of permanent staff.

Workforce Implications provided by D Williams 15/08/22

Property Implications

29. There are no property implications.

Other Implications

30. NA

Options Considered

31. NA

Conclusions

32. Throughout the Modern Slavery Team's first year (2020) the focus was on establishing pathways with other council departments for making referrals and sharing information. We became core members of various multi-agency partnership working meetings where cases of modern slavery and human trafficking are often discussed. This resulted in a helpline being established for professionals and members of the public to contact our team to discuss any cases or queries of concern. We have published a Modern Slavery Statement

and have established single point of contacts within each department in Enfield Council.

33. We have been collecting data that has come through to our team from various sources to create a map which is able to plot key areas for the team to target and help identify trends within the borough. This includes data on the numbers of referrals received, location of concerns, types of exploitation, victim information i.e. age, ethnicity, perpetrator information and figures for the numbers of NRM and DtN referrals made to the Single Competent Authority.

34. Training and awareness raising continues to be a key part of our team and we continue to deliver training sessions both internally and externally to partner agencies/third sector organisations. During the period of 1st April 2021-31st March 2022 the team have delivered a total of 17 training sessions to 455 attendees

35. We will continue to work with a multi-agency approach to share relevant information to help aid information gathering and potential investigations/prosecutions.

36. Enfield Modern Slavery Strategy 2023-28 aims to build upon Enfield's good practice. Enfield Council continues to lead the way in the fight against modern slavery and the strategy helps to deliver that message to the borough.

Report Author: Sharon Burgess Head of Safeguarding and Fiana Centala
MCA & MS Team Manager
Fiana.centala@enfield.gov.uk

Date of report 1st October 2022

Appendices

Enfield Modern Slavery Strategy 2023-28

Background Papers

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

Enfield Equality Impact Assessment (EqIA)

Introduction

The purpose of an Equality Impact Assessment (EqIA) is to help Enfield Council make sure it does not discriminate against service users, residents and staff, and that we promote equality where possible. Completing the assessment is a way to make sure everyone involved in a decision or activity thinks carefully about the likely impact of their work and that we take appropriate action in response to this analysis.

The EqIA provides a way to systematically assess and record the likely equality impact of an activity, policy, strategy, budget change or any other decision.

The assessment helps us to focus on the impact on people who share one of the different nine protected characteristics as defined by the Equality Act 2010 as well as on people who are disadvantaged due to socio-economic factors. The assessment involves anticipating the consequences of the activity or decision on different groups of people and making sure that:

- unlawful discrimination is eliminated
- opportunities for advancing equal opportunities are maximised
- opportunities for fostering good relations are maximised.

The EqIA is carried out by completing this form. To complete it you will need to:

- use local or national research which relates to how the activity/ policy/ strategy/ budget change or decision being made may impact on different people in different ways based on their protected characteristic or socio-economic status;
- where possible, analyse any equality data we have on the people in Enfield who will be affected eg equality data on service users and/or equality data on the Enfield population;
- refer to the engagement and/ or consultation you have carried out with stakeholders, including the community and/or voluntary and community sector groups you consulted and their views. Consider what this engagement showed us about the likely impact of the activity/ policy/ strategy/ budget change or decision on different groups.

The results of the EqIA should be used to inform the proposal/ recommended decision and changes should be made to the proposal/ recommended decision as a result of the assessment where required. Any ongoing/ future mitigating actions required should be set out in the action plan at the end of the assessment.

Section 1 – Equality analysis details

Title of service activity / policy/ strategy/ budget change/ decision that you are assessing	Enfield's Modern Slavery Strategy 2023-28
Team/ Department	People/ Strategic Safeguarding
Executive Director	Tony Theodoulou
Cabinet Member	Cllr Alev Cazimoglu
Author(s) name(s) and contact details	Fiana Centala 0208 132 2154
Committee name and date of decision	

Date the EqIA was reviewed by the Corporate Strategy Service	18.11.22
Name of Head of Service responsible for implementing the EqIA actions (if any)	Sharon Burgess
Name of Director who has approved the EqIA	Bindi Nagra

The completed EqIA should be included as an appendix to relevant EMT/ Delegated Authority/ Cabinet/ Council reports regarding the service activity/ policy/ strategy/ budget change/ decision. Decision-makers should be confident that a robust EqIA has taken place, that any necessary mitigating action has been taken and that there are robust arrangements in place to ensure any necessary ongoing actions are delivered.

Section 2 – Summary of proposal

Please give a brief summary of the proposed service change / policy/ strategy/ budget change/project plan/ key decision

Please summarise briefly:

What is the proposed decision or change?
 What are the reasons for the decision or change?
 What outcomes are you hoping to achieve from this change?

Who will be impacted by the project or change - staff, service users, or the wider community?

What is the proposed decision or change?

This equality impact assessments assess the potential impacts of Cabinet decision to approve the updated Modern Slavery Strategy.

What are the reasons for the decision or change?

The Modern Slavery Team have been established since January 2020 and the New Modern Slavery Strategy aims to reflect the learnings of the team and how they wish to move forward.

What outcomes are you hoping to achieve from this change?

There is no 'typical' victim of modern slavery, however those who are most vulnerable face increased risks of becoming victims of modern slavery. We will work with our partners to effectively communicate the risks and utilise our borough wide partnerships to provide a multi-disciplinary response to modern slavery to ensure that those who are most vulnerable are protected and supported. We will further consider the impact on individuals who have protected characteristics, where relevant, through the implementation of the Action Plan.

Who will be impacted by the project or change - staff, service users, or the wider community?

LBE staff will continue to be supported by the Modern Slavery Team and will be required to undertake refresher training every three years to ensure they are up to date with their knowledge of how to detect modern slavery and how to respond safely and appropriately.

Service users will also be impacted by the strategy. Our aim is to work more closely with Non-Government Agencies to provide appropriate support to victims. At times we have found delays in procuring support from the National Referral Mechanism (NRM) and this has not been in the best interests of the victim. We also want to improve support services for victims who decline to enter the NRM.

Section 3 – Equality analysis

This section asks you to consider the potential differential impact of the proposed decision or change on different protected characteristics, and what mitigating actions should be taken to avoid or counteract any negative impact.

According to the Equality Act 2010, protected characteristics are aspects of a person's identity that make them who they are. The law defines 9 protected characteristics:

1. Age
2. Disability
3. Gender reassignment.
4. Marriage and civil partnership.
5. Pregnancy and maternity.
6. Race
7. Religion or belief.
8. Sex
9. Sexual orientation.

At Enfield Council, we also consider socio-economic status as an additional characteristic.

“Differential impact” means that people of a particular protected characteristic (eg people of a particular age, people with a disability, people of a particular gender, or people from a particular race and religion) will be significantly more affected by the change than other groups. Please consider both potential positive and negative impacts, and provide evidence to explain why this group might be particularly affected. If there is no differential impact for that group, briefly explain why this is not applicable.

Please consider how the proposed change will affect staff, service users or members of the wider community who share one of the following protected characteristics.

Detailed information and guidance on how to carry out an Equality Impact Assessment is available [here](#). (link to guidance document once approved)

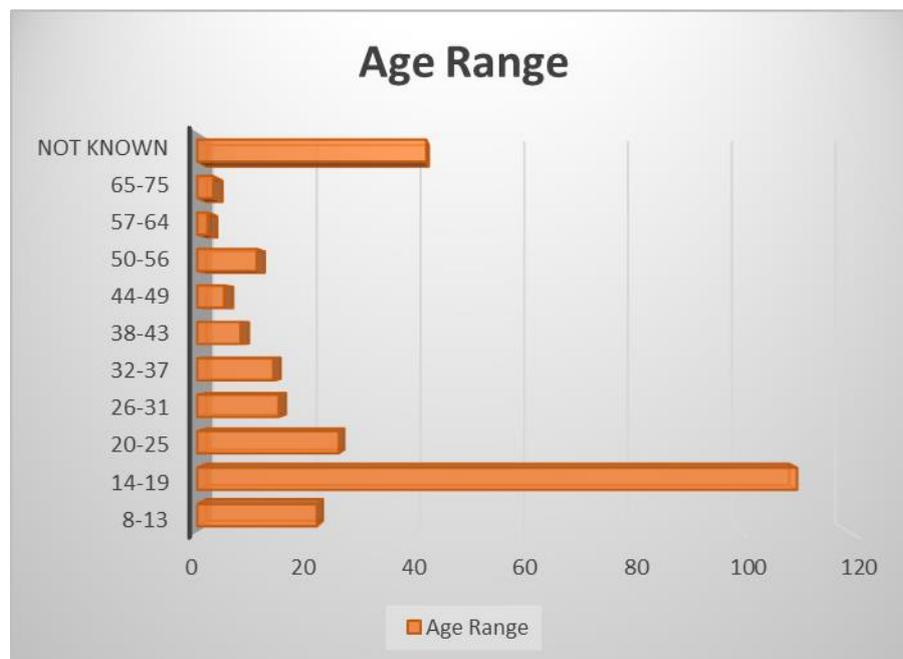
Age

This can refer to people of a specific age e.g. 18-year olds, or age range e.g. 0-18 year olds.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people of a specific age or age group (e.g. older or younger people)?

Please provide evidence to explain why this group may be particularly affected.

Enfield's data suggests that the age group most at risk of modern slavery and exploitation are between the ages of 14-19. There may be some inconsistencies with this data as it is a legal requirement to complete National Referral Mechanisms (NRM) for those under the age of 18, however consent is required for those aged 18 and above which can be difficult to obtain and as such is reflected in lower numbers for adults.



LBE data of

referrals received by the team.

There are 42 individuals where concerns have been raised where the age is not known. This is due to either the concern being raised on a locational issue or lack of information being shared with the team.

Our strategy is reflective of the fact that modern slavery and exploitation can happen at any age. Our priorities, such as increasing awareness and knowledge, should mitigate the risk of signs of modern slavery being missed at different ages. Through sharing information, as highlighted in our strategy, we will be able to deliver support throughout a child, young person or adults' life if they are

experiencing modern slavery. By sharing this information, we will be able to continue care and support each potential victim.

Furthermore, to support young people who have experienced modern slavery/ exploitation to transition into adulthood, we will improve strategic and operational working between children and adult services, enabling a whole family approach, understanding each family's context, needs, history and support network.

Mitigating actions to be taken

The Modern Slavery Team focus their attention on adults (aged 18 and above) to try and support vulnerable adults who might not be able to engage with statutory services.

The team acknowledges that there is a disproportionality by age of those impacted by modern slavery. To mitigate these risks the team will be utilising its partnership working links.

The team will also be working closely with our colleagues in children services who have published the following strategies.

Strategies are in place to reflect the needs highlighted above for adolescents:
Safeguarding Adolescents from Exploitation Strategy
Violence against women and girl's strategy

A plan is also in place:
Tackling gangs, serious youth violence and exploitation plan

Disability

A person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on the person's ability to carry out normal day-day activities.

This could include: physical impairment, hearing impairment, visual impairment, learning difficulties, long-standing illness or health condition, mental illness, substance abuse or other impairments.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people with disabilities?

Please provide evidence to explain why this group may be particularly affected.

Disability has been identified as a risk factor in reference to modern slavery occurring. Although there are no local or national data sets on disability and increased risk of modern slavery, national figures show that those with a disability are 3.8 times more likely to be targeted by perpetrators than an individual without a disability. In addition, due to the presence of disability, the impact of abuse can be minimised by families and professionals.

As a result of the Covid-19 crisis, children with a disability were more likely to have

been at risk from unsafe situations over the lockdown period, with many children social-distancing, self-isolating and quarantining for longer period of time than children who do not have disabilities. This has impacted professionals ability to identify potential modern slavery/ exploitation of vulnerable children.¹

In England and Wales, disabled people aged 16 years and over (43.4%) were significantly more likely to have experienced any Anti-Social Behaviour (ASB) in the year ending March 2020 than non-disabled people (39%)².

Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs.

This strategy should have a positive impact on all individuals and the team will work closely with local charities to ensure that all groups are supported.

Mitigating actions to be taken

It is vital when engaging with victims who have with disabilities, including those with speech and communication impairments that we are able to hear their voice. This may mean, learning new methods of communication, to ensure no one's voice is lost. This is could be implemented into training practices, as part of the action plan, to ensure that a child's voice is paramount no matter how it is given.

There are a host of specific services for people with learning difficulties and mental health needs across the age ranges and the Modern Slavery Team work outside of the Care Act 2014 eligibility criteria.

The Modern slavery Team also utilise Language Line where appropriate.

The Modern Slavery Team have also attended training in Trauma Informed Practice to help them in their role.

Gender Reassignment

¹ [Then There Was Silence: The Impact of the Pandemic on Disabled Children, Young People and their Families.](#)

² [Outcomes for disabled people in the UK - Office for National Statistics \(ons.gov.uk\)](#)

This refers to people who are proposing to undergo, are undergoing, or have undergone a process (or part of a process) to reassign their sex by changing physiological or other attributes of sex.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on transgender people?

Please provide evidence to explain why this group may be particularly affected.

GIRES (Gender Research and Identity Society) estimates that in the UK, around 650,000 people (1% of the population), are estimated to experience some degree of gender non-conformity.³

These statistics are for adults but can be reflected in children and young people as they become older. This strategy should have a positive impact on all individuals, including those who are trans, by ensuring all victims voices are reflected in decision making and by increasing knowledge and awareness to support the care of children and young people who are experiencing abuse.

Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs.

Where there are concerns about hate crime or discriminatory abuse for a resident with care and support needed, these are managed under the safeguarding processes.

We do not currently hold data in this area locally or nationally.

This strategy should have a positive impact on all individuals and the team will work closely with local charities to ensure that all groups are supported.

Mitigating actions to be taken

No mitigating action to be taken.

Marriage and Civil Partnership

Marriage and civil partnerships are different ways of legally recognising relationships. The formation of a civil partnership must remain secular, where-as a

³ [Gender Identify and Research Society, Individual help](#)

marriage can be conducted through either religious or civil ceremonies. In the U.K both marriages and civil partnerships can be same sex or mixed sex. Civil partners must be treated the same as married couples on a wide range of legal matters.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people in a marriage or civil partnership?

Please provide evidence to explain why this group may be particularly affected.

In 2018, there were 12.8 million families containing married, or civil partnership couples and half of these couples had children living with them. ⁴

This strategy should have a positive impact on all children, young people and families regardless of whether parents or carers, are in a marriage or civil partnership. This positive impact should be ensured by working with individual families to understand each family's context, needs, history and the support networks they have.

Marriage and Civil Partnership would not affect the safeguarding response a resident would receive.

We do not currently hold data in this area locally or nationally.

Mitigating actions to be taken

No mitigating action to be taken.

Pregnancy and maternity

Pregnancy refers to the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on pregnancy and maternity?

Please provide evidence to explain why this group may be particularly affected.

⁴ [Families and households in the UK: 2018, ONS](#)

Pregnancy and maternity would not affect the safeguarding response a resident would receive. However, there is an awareness of national trends around increased domestic abuse risk around the time of pregnancy and maternity.

We do not currently hold data in this area locally or nationally.

Mitigating actions to be taken

No mitigating action to be taken.

Race

This refers to a group of people defined by their race, colour, and nationality (including citizenship), ethnic or national origins.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people of a certain race?

Please provide evidence to explain why this group may be particularly affected.

This strategy should have a positive impact on all potential victims, regardless of their race or ethnicity. Cultural factors should be considered including access to resources for some communities. Practitioners must be able to give enough understanding and weight to cultural needs and their impact on the person's lived experience. However, maintaining a focus on the person's needs are a paramount consideration.

Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs.

We monitor ethnicity data as part of our analysis of trends and areas of concerns.

The most common nationalities referred to the NRM during the financial year 2020/21 were UK, Albanian and Vietnamese.⁵ The Team will be working closely with local charities to ensure that appropriate support can be provided.

This strategy should have a positive impact on all individuals and the team will

⁵ [Modern Slavery: National Referral Mechanism and Duty to Notify statistics UK, end of year summary, 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92222/modern-slavery-national-referral-mechanism-and-duty-to-notify-statistics-uk-end-of-year-summary-2021.pdf)

work closely with local charities to ensure that all groups are supported.

Mitigating actions to be taken

To continue to improve our data collection both internally and externally to ensure an accurate data set can be recorded to help provide appropriate support.

Religion and belief

Religion refers to a person's faith (e.g. Buddhism, Islam, Christianity, Judaism, Sikhism, Hinduism). Belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who follow a religion or belief, including lack of belief?

Please provide evidence to explain why this group may be particularly affected.

Data from the last census in 2011, shows that Christianity was the most common religion in the borough (53.6%). 16.7% of residents were of the Muslim faith, and 15.5% hold no religion or belief at all. Sikhs were the smallest religious group in the borough, composing 0.3% of the population, and people of 'other religion' made up 0.6%.

This strategy should have a positive impact on all potential victims, no matter their religion or belief and will encourage communities, including religious organisations, to take a positive role in identifying and respond to signs of modern slavery within Enfield. As part of the strategy, modern slavery training and awareness has been offered at religious community events supported by Enfield Council.

Religious factors should be considered including access to resources for some communities which may contribute to patterns of modern slavery. Practitioners must be able to give enough weight to religious needs and their impact on the potential victim's lived experience.

Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs.

Religion and belief will not affect the response a person receives.

We do not currently hold data in this area locally or nationally.

This strategy should have a positive impact on all individuals and the team will work closely with local charities to ensure that all groups are supported.

Mitigating actions to be taken

No mitigating action identified.

Sex

Sex refers to whether you are a female or male.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on females or males?

Please provide evidence to explain why this group may be particularly affected.

In the borough men are disproportionately affected by modern slavery accounting for around 70% of all the NRM referrals made by the team. Enfield's data set has similarities with the figures produced nationally. For adult potential victims, 75% (4,812) were male and 25% (1,594) were female were referred to the NRM.⁶ Due to the data highlighting this disproportionality we are able to work closely with our partners such as health to try and offer interventions at every available opportunity. The Team has been on hand to provide training to our partners to help identify the signs of modern slavery early on, be it at work on a building site or during a health visit.

Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs.

This strategy should have a positive impact on all individuals and the team will work closely with local charities to ensure that all groups are supported.

⁶ <https://www.gov.uk/government/statistics/modern-slavery-national-referral-mechanism-and-duty-to-notify-statistics-uk-end-of-year-summary-2021/modern-slavery-national-referral-mechanism-and-duty-to-notify-statistics-uk-end-of-year-summary-2021>

Mitigating actions to be taken
By exploring this data, we can ensure that we have appropriate support services and structures in place. By having this information, the team can also target its resources in the most effective way.

Sexual Orientation
This refers to whether a person is sexually attracted to people of the same sex or a different sex to themselves. Please consider the impact on people who identify as heterosexual, bisexual, gay, lesbian, non-binary or asexual.
Will this change to service/policy/budget have a differential impact [positive or negative] on people with a particular sexual orientation?
Please provide evidence to explain why this group may be particularly affected.
Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs.
In 2014, nationally, people identifying as Gay or Lesbian increased from 1.1% to 1.6%, Bisexual respondents rose from 0.5% to 1.1%, and people in the 'Other' category from 0.3% to 0.7%. This strategy should have a positive impact on all potential victims experiencing modern slavery, no matter their sexual orientation.
We do not currently hold data in this area locally or nationally.
This strategy should have a positive impact on all individuals and the team will work closely with local charities to ensure that all groups are supported.
Mitigating actions to be taken
No mitigating action to be taken.
Socio-economic deprivation

This refers to people who are disadvantaged due to socio-economic factors e.g. unemployment, low income, low academic qualifications or living in a deprived area, social housing or unstable housing.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who are socio-economically disadvantaged?

Please provide evidence to explain why this group may be particularly affected.

Safeguarding activity is provided for children and families until the children are 18. For adults, safeguarding applies where there are care or support needs.

In our analysis, we are considering geography as part of our assessment of risks and have noticed a divide in the west and east of the borough.



This has helped our team work jointly with Enfield and Haringey BCU to target our resources.

This strategy will link potential victims with borough wide support and early help services that can assist them if they are facing socio-economic deprivation to ensure poverty is not a factor in modern slavery occurring.

Mitigating actions to be taken.

To continue to obtain data linked to the location of the potential modern slavery activity to help target resources jointly with our police and health colleagues.

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Section 4 – Monitoring and review

How do you intend to monitor and review the effects of this proposal?

Who will be responsible for assessing the effects of this proposal?

Monitoring and Reviewing:

The Modern Slavery Team complete annual reports and publishes key safeguarding information adults for adults and children. This includes demographic information relating to gender, age. The data also includes types of abuse and location of abuses for adults. The Modern Slavery Board is the platform where data are reviewed and trends, or issues, are highlighted. If this analysis, or the learning from reviews and audits highlights area of concerns around equalities, then these are actioned through these groups. The board will help monitor if the team is meeting their objectives in the following areas:

- An increased awareness of MS across the partnership, through opportunities such as training.
- An increased identification of MS across the partnership, including by communities and voluntary sector organisations.
- Share anonymous data to increase understanding and awareness of modern slavery across London
- Meaningful engagement with survivors to improve practice
- Develop cross-border sharing housing protocol
- Address gap in support for child victims of modern slavery as they turn 18

Responsibility for assessing the effects of this proposal:

The Modern Slavery Board would be responsible for assessing the effects of this proposal. Enfield Council is the lead agency for modern slavery and has a joint team with Enfield and Haringey Basic Command Unit.

Section 5 – Action plan for mitigating actions

Any actions that are already completed should be captured in the equality analysis section above. Any actions that will be implemented once the decision has been made should be captured here.

Identified Issue	Action Required	Lead officer	Timescale/By When	Costs	Review Date/Comments
Age: Enfield's data suggests that the age group most at risk of modern slavery and exploitation are between the ages of 14-19.	The Modern Slavery Team focus their attention on adults (aged 18 and above) to try and support vulnerable adults who might not be able to engage with statutory services.	Children's Services	December 2023		
Disability: Trauma informed practice	The Modern Slavery Team have also attended training in Trauma Informed Practice to help them in their role.	Modern Slavery Team	April 2023		
Race, gender	To continue to improve our data collection both internally and externally to ensure an accurate data set can be recorded to help provide appropriate support.	Modern Slavery Team	March 2023		To be published in Annual report

Enfield Modern Slavery Strategy

2023-2028

*Fighting to End
Modern Slavery
in Our Borough*





Scope	Enfield's Modern Slavery Strategy sets out how we will work together with our partners to tackle modern slavery in our borough. This includes working in partnership to identify victims and to deliver the care and support they need. This strategy focuses on the work of the Modern Slavery Team in relation to Adults over the age of 18.
Approved by	To be approved by the Cabinet
Approval date	9.12.2022
Document Author	Strategic Safeguarding Adults Services
Portfolio holder	Cllr Alev Cazimoglu, Cabinet Member for Health and Social Care
Governance	Modern Slavery Board
Review	The Modern Slavery Board will review this strategy on an annual basis, and where necessary, update the document to respond to local and national changes.

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Message from Councillor Alev Cazimoglu

I am proud to present our Modern Slavery Strategy on behalf of Enfield Council which shows concerted and coordinated action.

Enfield's Modern Slavery Strategy 2023-28 builds upon our previous successes and demonstrates Enfield's continued commitment to tackling modern slavery. Enfield has made great progress in meeting the objectives demonstrated in the previous Modern Slavery Strategy 2020-23 with tangible results and successful prosecutions to those committing modern slavery offences.

Here in Enfield we continue to provide a multidisciplinary response in the fight against modern slavery. We recognise that trafficking, slavery and exploitation are not issues from the past. We all share a responsibility to fight and end modern slavery. Jointly we can all build a future where modern slavery and exploitation are truly a thing of the past.

Councillor Alev Cazimoglu
Cabinet Member for Health & Social Care



Need support?

In an emergency, always call 999. If you come across anything suspicious or need support, contact the Enfield Modern Slavery Team, **020 3821 1763**, ModernSlavery@enfield.gov.uk

For local services, visit [MyLife Modern Slavery](#)

Introduction

Modern slavery is a serious crime that strips its victims of their basic human rights and dignity. Modern slavery is a term, which includes human trafficking, slavery, servitude and forced or compulsory labour; and can occur irrespective of age, gender, nationality or economic circumstances. Internationally, modern slavery continues to be the fastest growing crime, and the second largest source of illegal income for organised criminality.

Enfield Council and our partners are working together through a multi-agency approach to tackle modern slavery in the borough. Our approach includes three aims:

- To effectively tackle organised crime networks locally
- To deliver the right information, advice, support, and care to victims
- To raise awareness around identifying modern slavery and the referral process, including the [National Referral Mechanism \(NRMs\)](#).¹

Locally we have a dedicated Enfield Modern Slavery team, which focus on investigating locational issues such as homes or businesses. Our team includes 2 investigators that work jointly with Enfield and Haringey Police Basic Command Unit (BCU) to tackle the criminal element of modern slavery. The Modern Slavery Team also provides support to the Multi-Agency Safeguarding Hub (MASH) teams, where they have exploitation concerns about children and adults.

The Modern Slavery team report to the Enfield Modern Slavery Board. The Board is chaired by the Council's Director of Health and Adult Social Care and was established in November 2018. The Board meets quarterly and is responsible for providing strategic direction and leadership to deliver our strategy and monitoring of the Modern Slavery Team's Action Plan. The Board also makes sure our local partnership, council departments (such as Housing and Community Safety), and information, advice support and care pathways work effectively.

The Modern Slavery Strategy has been developed in partnership with stakeholders including survivors and residents. Our new strategy builds upon the previous Modern Slavery Strategy 2020-2023 and the successes of the Modern Slavery Team. This includes signing a Charter Against Modern Slavery, which aims to establish ethical labour sourcing practices in our supply chains. The Modern Slavery Team continues to work hard to increase the number of referrals into the National Referral Mechanism (NRM), and we have supported 56 potential victims to enter the NRM. Of the 56 referrals made, 53 referrals resulted in individuals receiving care and support from the Salvation Army.

¹ The NRM is a framework for identifying and referring potential victims of modern slavery and ensuring they receive the appropriate support.

What is modern slavery?

Modern slavery is complex; but simply put, it describes a situation where someone is made to do something, and another person gains from this. Modern slavery is about being exploited and completely controlled by someone else, without being able to leave. It includes human trafficking, slavery, servitude and forced or compulsory labour.

Modern slavery is the deception or coercion of a person for the purpose of exploitation.

Deception or coercion for the purpose of exploitation

Deception or coercion may include threats, force, debt bondage and abuse of power or vulnerability. For anyone under the age of 18, the abuse of vulnerability is automatically present.

The purpose of exploitation may include the following:



Forced labour

Being made to work for little or no money



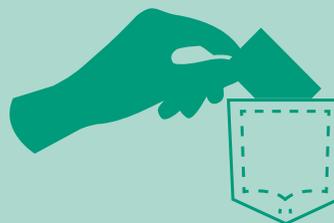
Sexual exploitation

Being coerced or forced into selling sex



Domestic servitude

Being made to work within a home environment for little or no pay



Criminal exploitation

Being forced to break the law for someone else (i.e. stealing, selling drugs)



Forced/sham marriage

Being made to marry someone you don't want to marry



Organ harvesting

Bodily organs being removed for financial gain

Myths about modern slavery

MYTH:

People must be locked in or tied up to be victims of modern slavery

TRUTH:

People aren't usually chained or restrained. They might be allowed to use a phone or roam freely outside. We refer to this as being "hidden in plain sight." A victim of modern slavery could be repairing the roof of your home or preparing your food in a restaurant. People are kept in modern slavery by threats to themselves or their families, lies, brutality, coercion, and the perception that they have debt to pay off, not by actual chains.

MYTH:

All victims of modern slavery are women and all exploiters are men

TRUTH:

People of all genders can be victims of all forms of modern slavery. This includes men being victims of sexual exploitation and women being victims of forced labour. Similarly, people of all genders can exploit others.

MYTH:

It's only modern slavery if the person doesn't get paid

TRUTH:

Modern slavery can include people on no pay but also extremely low pay. Often the money that people are paid will go towards their transportation and recruitment costs, which is known as debt bondage. People should not be made to work in conditions that deny their basic human rights (such as working extremely long hours, being made to sleep where they work and denied food etc.).

MYTH:

Victims of modern slavery are from countries outside the UK

TRUTH:

Modern slavery affects every nationality. The most common nationalities referred in 2021 to the NRM were from the UK, Albania and Vietnam.

MYTH:

If I asked someone if they were a victim of modern slavery, they would tell me

TRUTH:

There are many obstacles that could prevent someone from asking for assistance, or they could respond that they're alright when questioned. The inability to communicate in a language, not knowing that help is available, not realising that they are victims, fear for their lives or the lives of their family members, fear of being expelled from the country, manipulation of someone's faith or belief, such as using witchcraft, misplaced loyalty to the exploiter, and fear of institutions like the police are a few of these obstacles. Additionally, people may find it difficult to agree on working arrangements because to vulnerability factors including learning disabilities, mental illness, addiction, or their age.

Our approach

The Enfield Modern Slavery Team works with partners to utilise a multi-agency approach to tackle the crime of modern slavery within the borough.

Our multi-agency approach includes three aims:

1. To effectively tackle organised crime networks locally.
2. To deliver the right information, advice, support, and care to victims.
3. To raise awareness around identifying modern slavery and the referral process, including the National Referral Mechanism.

Our team works with internal departments across the Council and external organisations to try to achieve these aims. We are core members of several meetings where we link into other teams and often share information on cases where there is a modern slavery/human trafficking concern. The meetings the team attends are:

- **Partnership Problem Solving Group (PPSG)** – This is where anti-social behaviour concerns are raised including potential brothel and cuckooing locations of concern.
- **Community Multi Agency Risk Assessment Conference (CMARAC)** – Information is shared to manage and resolve complex high-risk cases of anti-social behaviour.

- **Multi Agency Risk Assessment Meeting (MARAM) and Rough Sleepers Board** – These meetings are to discuss and share information around individual homeless/rough sleepers with complex needs in order to better understand the individual, their needs and propose appropriate action.
- **Multi Agency Child Exploitation meeting (MACE)** – The main purpose of the MACE meeting is to facilitate the sharing of information about children at risk of exploitation as well as potential perpetrators and locations that could pose a risk of harm to individuals or groups and to develop a detailed strategic and tactical overview of the exploitation profile.
- **Vulnerable Young People (VYP)** – To maintain a strategic overview of the work of various groups including Enfield’s response to CSE/CCE, trafficking and modern slavery and constructively challenge quality of services and timely delivery of objectives.
- **Operational meeting with Police** – Bi-weekly meetings are held with the Modern Slavery Team and Police colleagues to discuss ongoing cases and share information and updates.

An action from the previous strategy was for the creation of a Modern Slavery Board which has been formalised with our multi agency partners and meets quarterly to oversee the work of the Modern Slavery Team.

A Modern Slavery Forum takes place every quarter where professionals attend to discuss any cases or seek advice from the team. The purpose of the forum is to strengthen multi-agency working and to promote clear pathways to streamline information sharing between services.

The Head of Safeguarding Adults and Quality Assurance, Sharon Burgess alongside the Human Trafficking Foundation established the London Modern Slavery Leads Network (LMSL). This consists of representatives from each of the thirty-two London boroughs and other select partners across the capital. It provides an opportunity for all members to come together, share best practice, and highlight trends or challenges they have identified in their borough. These are then addressed collectively. Sharon has completed her three-year period as the chair of this meeting.

The Modern Slavery Team focuses on delivering the strategy aims to potential victims aged 18+ however, there are similar action plans and work underway within Children Services to cover this area. Please refer to the below documents:

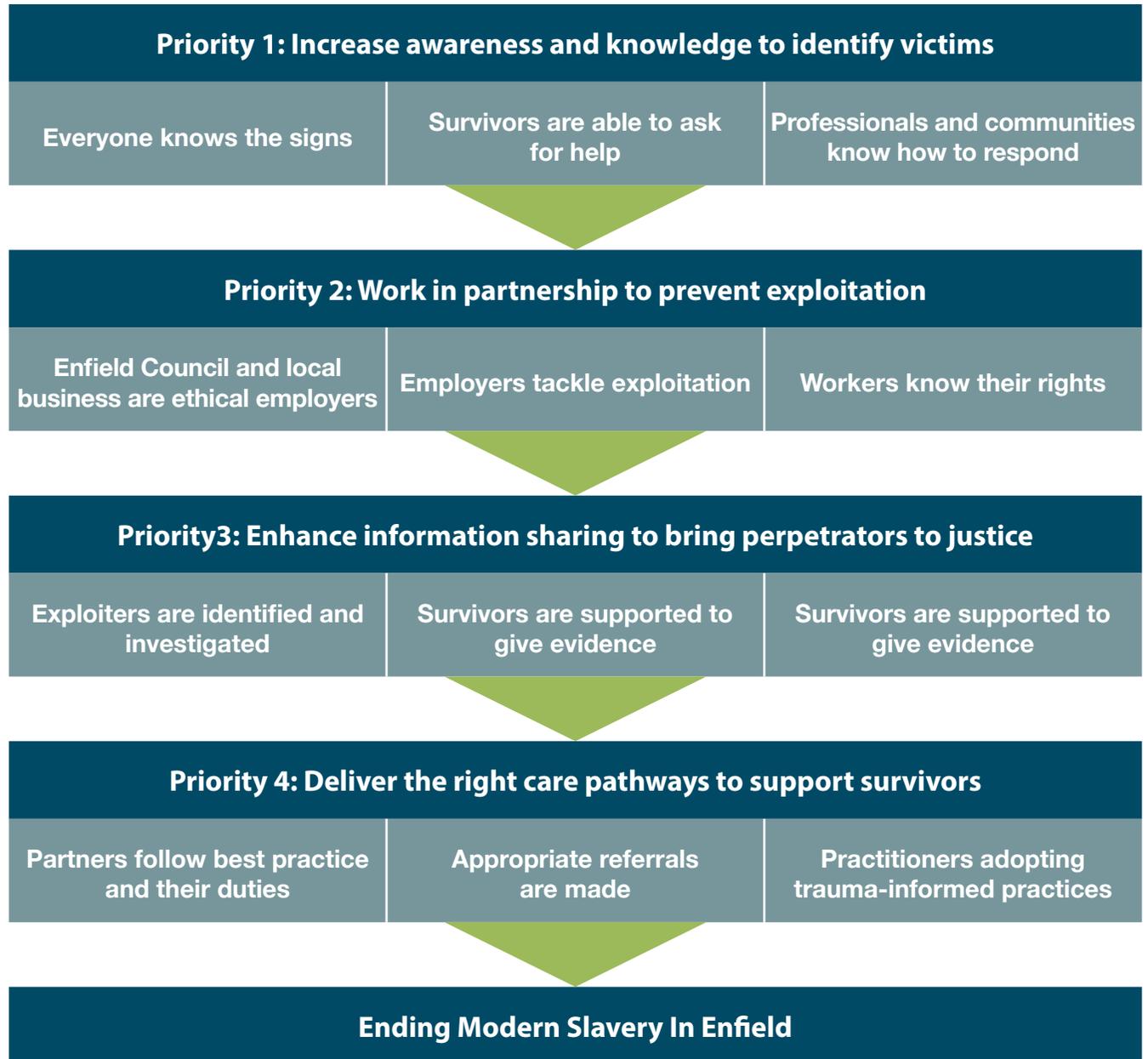
- [Safeguarding Adolescents from Exploitation Strategy](#)
- [Violence Against Women and Girl's Strategy](#)
- [Tackling Gangs, Serious Youth Violence and Exploitation Plan](#)

Our Vision and Priorities

Our vision is to eradicate modern slavery in the borough of Enfield.

Our priorities set out the 4 key areas that we will be focusing on over the next 5 years, as we work together with our partners to reduce modern slavery, and to protect and support survivors. This will enable all residents and visitors to live and work safely, and ensure our actions as businesses and consumers don't negatively impact individuals and communities elsewhere.

The chart outlines the four priorities that we need to deliver to help us to work towards our vision. Further details can be found within our Action Plan in Appendix 3.



The Picture in Enfield

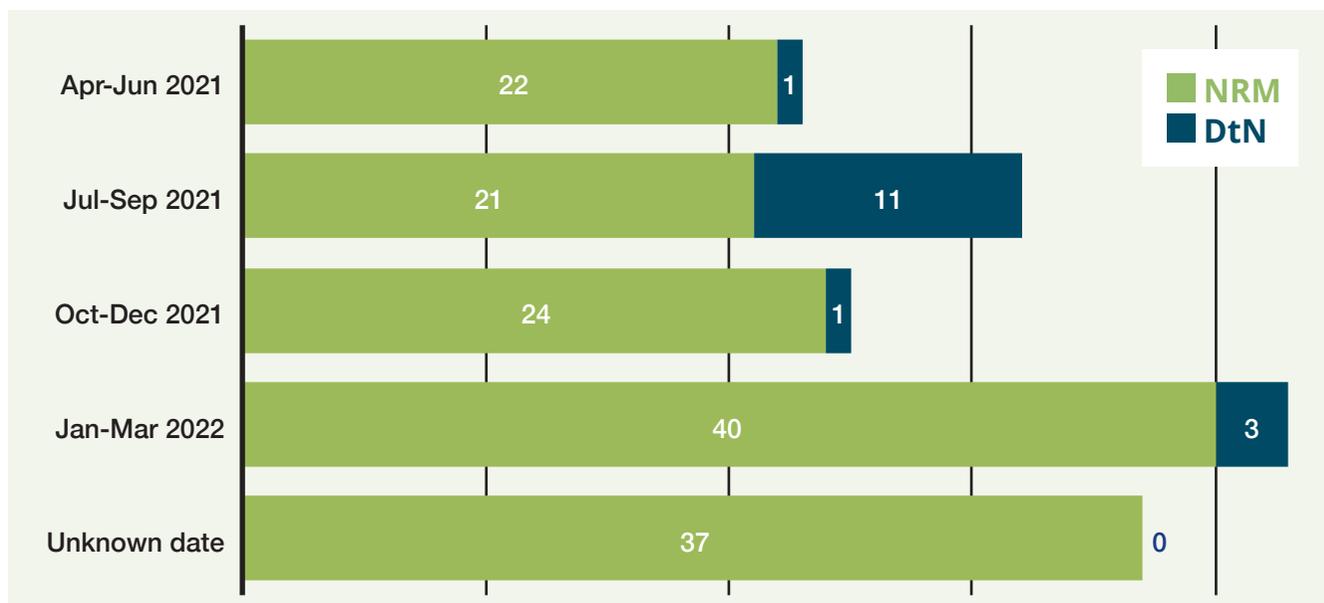
National Referral Mechanism (NRM) and Duty to Notify (DtN) Referrals

The National Referral Mechanism (NRM) is a framework for identifying and referring potential victims of modern slavery and ensuring they receive appropriate support. Organisations deemed to be First Responders such as; Local Authorities and Police are duty bound under Section 52 of the Modern Slavery Act 2015 to complete these referrals to the Single Competent Authority (SCA). The main difference between an NRM and DTN referral is consent required from the adult involved.

There was a total of 68 NRM (56) and DTN (12) referrals to the Single Competent Authority made by Enfield Council.

Of the 68 total NRM and DTN referrals that were made by LBE staff, in 64 of these cases the victim was exploited in the UK only. The remaining 4 were either exploited solely overseas or a combination of overseas and in the UK.

MONTHLY BREAKDOWN OF NRM/DtN REFERRALS

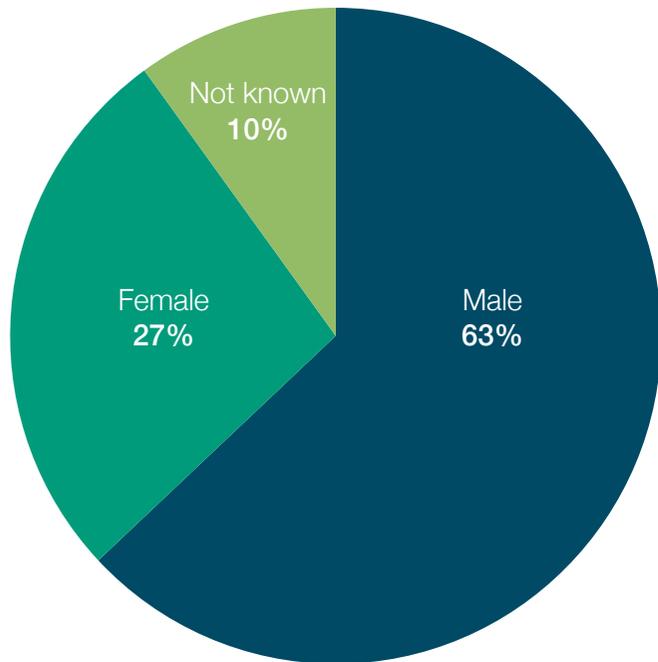


NB: These are NRM/DtN referrals made by all professionals (not just LBE staff) combined for Enfield residents.

Demographics

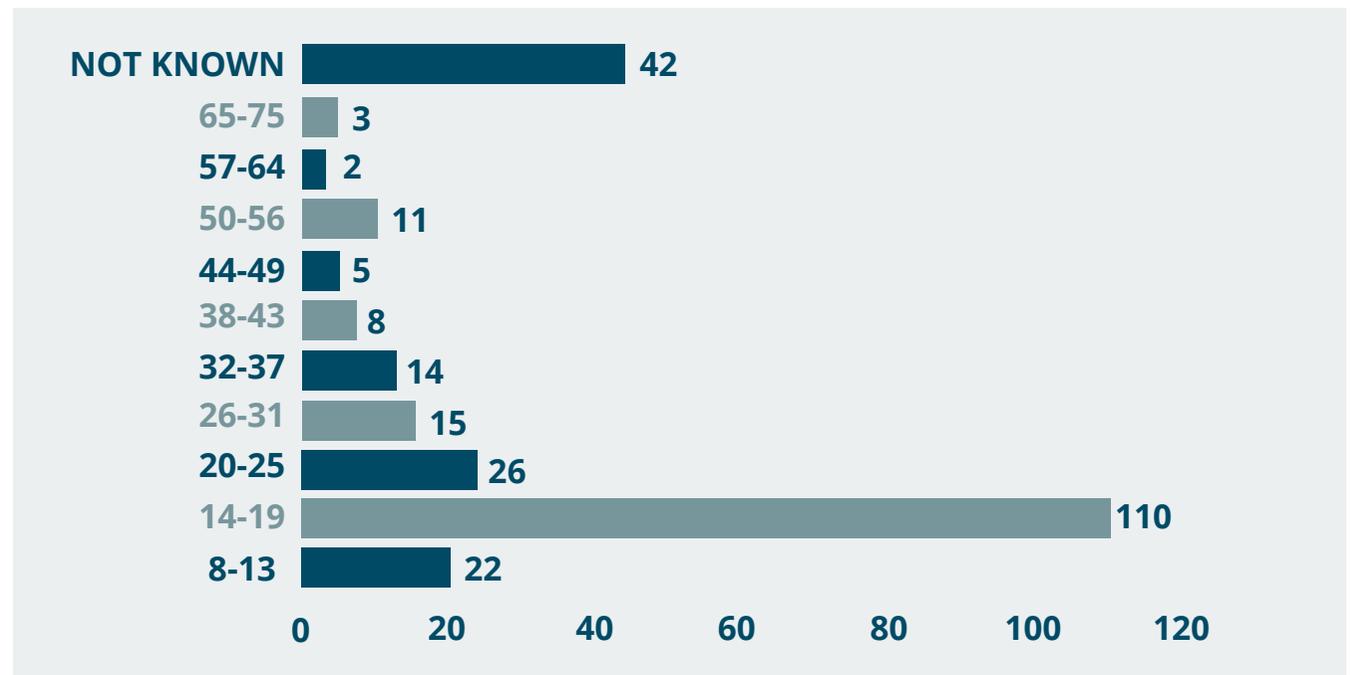
Gender

Males are overrepresented in the proportion of local referrals to the NRM. In 2021/22, there were 258 referrals, of these 63% of referrals were male, 27% were female and for 10% of referrals the gender of the individual was not known. Similarly, national figures from the Home Office, show that males are overrepresented. In 2021, males represented 77% of referrals nationally.



Age Range

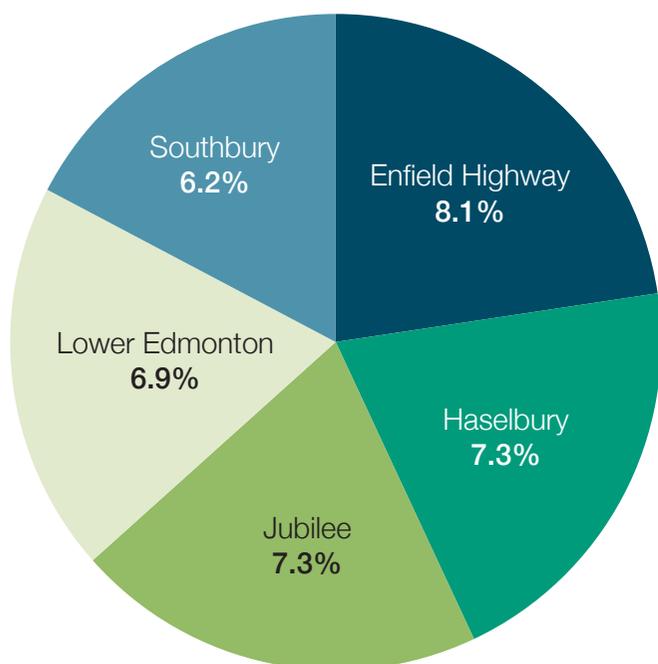
In 2021/22 the team received 110 referrals for individuals aged between 14-19. The youngest age for a potential victim was aged 8. The oldest potential victim was aged 75. There were 42 (16%) individuals where a concern was raised, where their age was not known.



Ward breakdown

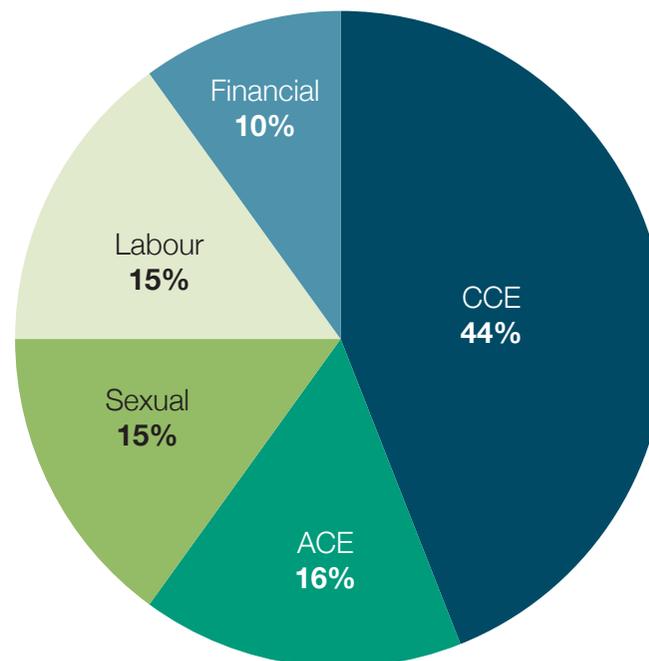
The highest proportion of referrals in the borough were in Enfield Highway, Haselbury, Jubilee, Lower Edmonton and Southbury wards. The postcode of the individual was 'not known' in 28% of referrals.

HIGHEST REFERRALS BY WARD



Forms of Exploitation

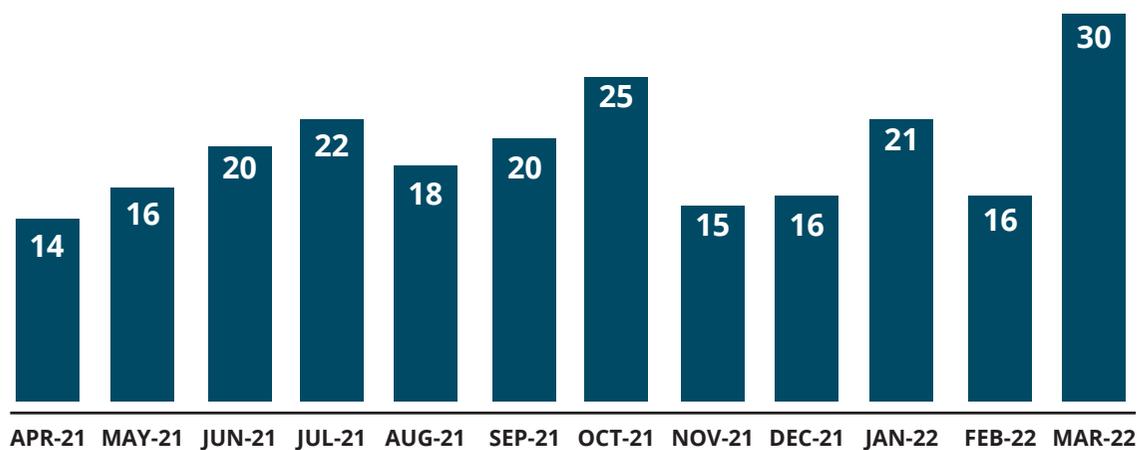
Criminal exploitation is the most common type of concern received by the Modern Slavery Team, this includes child criminal exploitation (CCE) which accounts for 44% of concerns, and adult criminal exploitation (ACE) which accounts for 16% of concerns. This is followed by sexual exploitation (15%) and labour exploitation (15%) and financial exploitation (10%).



Helpline

The team continue to promote the contact details of their helpline on various platforms such as on leaflets, posters, internal communications, on the Safeguarding Enfield website in order to raise awareness of how the team can be contacted to discuss any concerns around modern slavery and to refer into the team.

NUMBER OF CALLS TO HELPLINE



Governance and Delivery

Who will oversee the strategy?

Enfield's Modern Slavery Board is responsible for overseeing the delivery, monitoring and review of this strategy. The Modern Slavery Team will report on progress to deliver the Action Plan on a quarterly basis.

The strategy will be reviewed annually, and where necessary updated to respond to local and national changes.

Enfield Council retains responsibility as the lead co-ordinating organisation. All other relevant organisations and partners, including NHS bodies; the Departments of Social Security, Employment and Training; the Police and Probation Services undertake their legal duties in relation to safeguarding of adults and minors.

Police forces, in particular, have a key role in identifying and combating modern slavery. This strategy will be accompanied by an annual action plan that will detail the specific actions that need to be taken across the partnership to achieve our planned results.

How does this strategy link with other strategies?

This exploitation strategy must be considered and implemented alongside other strategies and procedures:

- [Enfield Council's Modern Slavery Policy and Procedure](#)
- [Preventing Homelessness and Rough Sleeping Strategy 2020-2025](#)
- [Enfield's Children and Young People's Plan \(Empowering Young Enfield\) 2021-2025](#)
- The Safeguarding Enfield Strategy 2023-28 (to be published)
- [Safeguarding Adolescents from Exploitation Strategy](#)
- [Violence Against Women and Girl's Strategy](#)
- [Tackling Gangs, Serious Youth Violence and Exploitation Plan](#)

Measuring Success – Our Impact

How will we measure our effectiveness?

We will measure our success and keep track of progress using our Action Plan. This important document helps us to recognise and understand the impact of our strategy, and where necessary it sets out any areas that might need to be improved. An overview of our Action Plan can be found on page 17 of this strategy.

We will evaluate the impact of our action plan through developing performance and quality measures.

It is important that we do not measure success only in data and numbers. At the heart of our work is the individual's lived experience, and making sure that we have a positive impact on their life and their long-term outcomes.

Survivors Story

Eva* was 36 years old when she was lured to the UK with the promise of a job and a safe place to stay. However, soon after arriving Eva's passport and mobile phone were removed and soon she was coerced into a life of forced labour and domestic servitude for a family she thought would support her dreams of building a life in the UK.

Eva was forced to work in the house, cleaning, washing, ironing and looking after her trafficker's children. In the evenings she was forced to work clean the cars that the family would try to sell along the street. Her traffickers would beat her when she didn't meet their targets.

Eva was made to sleep on the floor and was not paid for any of the work that she had undertaken. Her exploiters said any money she earned was being used to pay for her food and rent.

They controlled everything she did. Her exploiters would threaten her and tell her the police wouldn't help.

It took repeated attempts for the Modern Slavery Team to gain Eva's trust for her to make a disclosure that she was in fact being exploited and ill-treated by the family she was living with. This disclosure led to four people being charged and found guilty of various offences relating to modern slavery in March 2022.

"When I was in the middle of being exploited it seemed like it couldn't be worse than being homeless and without food or shelter," Eva said. "I am slowly rebuilding my life and I am grateful for all the help I have received."

**Name has been anonymised*

Appendix 1: Information and advice

Legislative Framework

The Government's approach to tackling modern slavery has been heavily shaped by a number of international laws, conventions and protocols which the UK has opted into, ratified or is already bound by, including the:

- 1950 European Convention on Human Rights (ECHR)
- United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children (Palermo Protocol 2000)
- Council of Europe Convention on Action against Trafficking in Human Beings 2005 (ECAT)
- EU Directive on Preventing and Combatting Trafficking in Human Beings and Protecting its Victims Directive 2011 (the Anti-Trafficking Directive).

In March 2015 the Coalition Government enacted the Modern Slavery Act 2015. The Act aims to consolidate and clarify existing modern slavery and human trafficking offences and increased the maximum sentences for committing these offences.

The National Referral Mechanism

The National Referral Mechanism (NRM) provides a framework to identify, refer and record potential victims of modern slavery.

There are five stages in identifying a potential victim and their journey through the NRM.

- 1 Identification of a potential victim (PV)
- 2 Referral into NRM by a first responder
- 3 Reasonable grounds decision
- 4 Support for victim with a positive reasonable grounds decision
- 5 Conclusive grounds decision by a competent authority

How to report suspicions?

There is a legal duty for first responders such as the police or local authority employees to report victims of modern slavery to the Secretary of State.

Cases involving children must always be reported.

Adult victims need to provide consent for the referral to be made if they have capacity. If consent cannot be obtained, the first responder still has the duty to notify the Home Office and can do so using the MS1 form.

If you would like to discuss your concerns with social services, please contact:

- The Modern Slavery Team on 020 8132 2154
- The Enfield Multi-Agency Safeguarding Hub Adults on 020 8379 3196
- The Enfield Multi-Agency Safeguarding Hub Children on 020 8379 5555
- The Police on 101 or CrimeStoppers on 0800 555 111

Remember in an emergency, when someone is being abused, call the police on 999.

Appendix 2: Questions you could ask

There are often many barriers, including language, preventing someone from answering 'yes' to the question, 'are you a victim of modern slavery'? Avoid questions which could re-traumatise individuals and focus on open, needs-led questions.

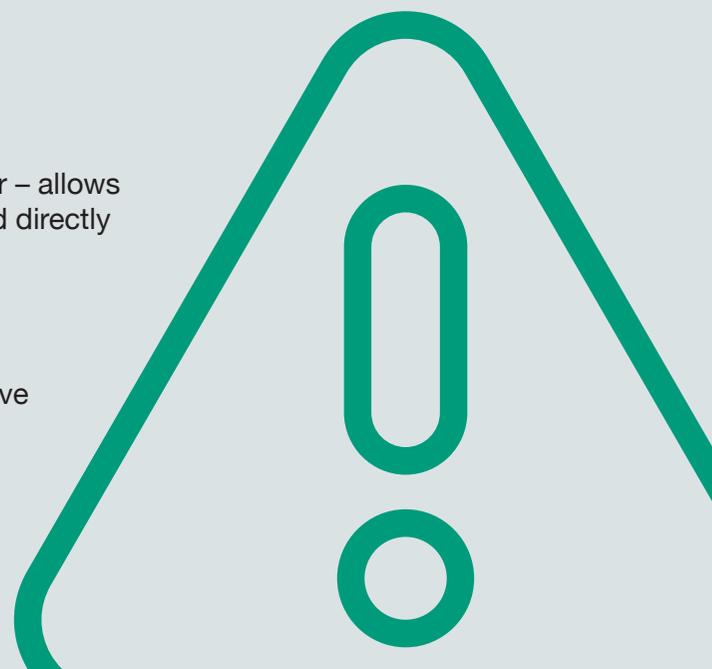
The following questions could be asked if it is safe to do so. Conversations should be held in a safe setting, with qualified interpreters if required. Survivors shared that they need time to build up trust but that it was important people asked the questions and were open-minded and listened to the answers.

1. Do you feel safe?
2. Is anyone making you do something you don't want to?
3. How many hours a day do you work?
4. Are you being paid for your work?
5. Do you have access to your bank account?
6. Who would you call if you needed help?
7. Can you tell me about your situation?

Signs to look out for

Below are some indicators that someone may be experiencing modern slavery or exploitation. It is important to recognise that everyone responds differently and that this list is not exhaustive:

- Fearful, anxious or distrustful of authorities
- Appears malnourished
- Shows signs of trauma (physical/psychological)
- Suffers injuries that may be the result of controlling measures or that have been left untreated
- Unfamiliar with local language/context
- Do not know their home or work address
- Has a story that sounds rehearsed
- Dependency and presence of a Controller – allows others to speak for them when addressed directly
- Believe they have debt to pay off
- Separated from their ID documents
- Do not have any days off or unable to leave their work environment
- Has limited/no social interaction
- Reveals threats have been made against them or their family



Appendix 3: Action Plan

Priority 1: Increase awareness and knowledge to identify victims

Goal	Action required	Person responsible	End date
Focus on raising awareness by sharing posters to the organisations based in the various industrial estates within the borough and physically visiting them to request these are advertised in their staff/office areas.	To identify the numerous industrial estates within Enfield in order to schedule regular days of action to ensure all areas are covered.	Modern Slavery Team	March 2023
Develop a training plan jointly with health and the Police on cuckooing, to deliver to professionals to raise awareness in this area.	Jointly with Police colleagues deliver this to professionals.	Modern slavery Team and Police	Dec 2023
Continue to promote our training awareness sessions and offer to internal departments and external partner agencies.	Identify teams and services with training gaps.	Modern Slavery Team	March 2023
Ensuring we are collecting quality data to be inclusive of the ethnicity and nationality within the wider community.	Capture Nationality and Ethnicity details separately where possible.	Partners required to share data with Modern Slavery Team	Ongoing
Working closely with Police partners to gather information and share intelligence in a timely way to aid further investigations.	Use systems to gather relevant information and share intelligence.	Modern Slavery Team/ Police	March 2023
Creating and sharing a checklist of immediate responses required from professionals regarding concerns of cuckooing, and also a checklist of other support available.	Once checklist is created share with all partner agencies.	Modern Slavery Team	Dec 2022

Priority 2: Work in partnership to prevent exploitation

Goal	Action required	Person responsible	End date
Review referral pathways in order to identify room for improvement.	Processes to be revised regularly.	Modern Slavery Team/ MS Board	March 2023
Support services directory to be kept up to date in order to be able to signpost survivors appropriately.	To revise support services directory quarterly and keep up to date.	Modern Slavery Team	Ongoing bi yearly
A yearly conference for NGOs and government organisations to be held to discuss and share ideas in the context of Modern Slavery.	To organise and invite a wide range of different professionals and possibly lived experience individuals.	Modern Slavery Team	Oct 2022
Assist Social Care teams with NRM referrals to ensure these are being completed and quality information is being gathered and shared.	Liaise with first responders with a view of developing an NRM workshop to ensure they are aware of how to correctly submit an NRM.	Modern Slavery Team	March 2023

Priority3: Enhance information sharing to bring perpetrators to justice

Goal	Action required	Person responsible	End date
Power BI Mapping exercise being developed in order to identify trends in crime hotspots, exploiter locations and NRM/DTN referrals etc.	To update Power BI on a monthly basis with all information to keep up to date records.	Modern Slavery Team/ Knowledge and Insights Hub	March 2023
Supporting Police partners in active operations including locations/visits.	Ensure as much quality information as possible is gathered from referrer and relevant sources and recorded in order to be shared.	Modern Slavery Team/ other LBE departments/ External services	Ongoing
Multi agency working across boroughs and other external organisations and internal departments.	To develop information sharing with other boroughs and organisations.	Modern Slavery Team/ other LBE departments/ External services	March 2023

Priority 4: Deliver the right care pathways to support survivors

Goal	Action required	Person responsible	End date
Maintain links with departments such as housing, social care and charity organisations who provide direct support to our survivors.	To continue to attend relevant meetings/boards to maintain this link within each service and share information. Request regular updates from NGO's regarding victim feedback and survivors current circumstances.	Modern Slavery Team	March 2023
Using internal communications in order to advertise forums, yearly conference and other significant events.	Staff matters or Internal Communications.	Modern Slavery Team/Corporate Communication Team	Oct 2023
Continue Power BI Mapping exercise to map and identify trends in the information that we receive in order to focus resources into protecting potential victims.	To ensure all data is sent to KIH team on a monthly basis.	Modern Slavery Team/ Knowledge and Insights Hub/Police	Quarterly – Ongoing
Promote the team with a focus on local businesses – distributing information, cards/leaflets.	Focus on local businesses to raise awareness	Modern Slavery Team	March 2023

London Borough of Enfield**[Cabinet]****Meeting Date** 14th December 2022

Subject: Update to current Strategic Community Infrastructure Levy
Spending Priorities**Cabinet Member:** Cllr Caliskan
Executive Director: Joanne Drew**Key Decision:** KD 5549

Purpose of Report

1. The purpose of the report is to seek approval for the draft spending priorities for the strategic portion of the Enfield Community Infrastructure Levy (CIL). The spending priorities guide the allocation and spend of the strategic portion of the Enfield Community Infrastructure levy.

Proposal(s)

2. To approve the changes to the current four Strategic spending priorities published in the Infrastructure Funding Statement (IFS) 20/21(see Appendix 01) that apply to the Strategic CIL portion of the Enfield Community Infrastructure Levy.
3. To approve the draft spending priorities set out below which will guide future allocations and spend of the Strategic portion of the Enfield Community Infrastructure Levy:
 - a) Investment in green and blue infrastructure across the borough.
 - b) Investment in health, sport and leisure infrastructure across the borough.
 - c) Investment in public realm and environmental improvements across the borough, but especially in areas of regeneration and locations of commercial and industrial activity.
 - d) Upgrades to the cultural and community facilities across the borough.
 - e) Investment in sustainable transport infrastructure across the borough
 - f) Investment in education facilities to support skills development and job training.

Reason for Proposal(s)

4. The Council collects the Community Infrastructure Levy (CIL) from liable developments in its area, the collection of the levy includes both Enfield CIL (LBE CIL) and Mayoral CIL(MCIL). The review of spending priorities applies only to the strategic portion of Enfield CIL as the council does not have input on how MCIL receipts are spent. MCIL receipts are transferred to Transport for London (TFL) with 4% of receipts retained by the Council and must be used to offset the costs to the Council of administering Mayoral CIL (MCIL admin).
5. The Enfield Community Infrastructure Levy (LBE CIL) is collected and apportioned into three funding pots, as set out in the Community Infrastructure Levy Regulations 2010 (as amended):
 - Strategic CIL (SCIL) (80%)
 - Neighbourhood CIL (NCIL) (15%); and,
 - Administrative CIL (CIL Admin) (5%)
6. Neighbourhood CIL (NCIL) is allocated to the Councils Neighbourhood Fund, with the allocation criteria and spending priorities for the neighbourhood portion set independently to that of Strategic CIL. The administrative portion (CIL Admin) of CIL receipts must only be used to offset the costs to the council to administer CIL in its area.
7. The IFS 20/21 sets out four spending priorities for Strategic CIL (SCIL) spending over three financial years up to and including 23/24. However, as set out in the KD 5029 (see appendix 2), spending priorities can be reviewed on an annual basis.
8. The decision to review the current spending priorities has been informed by the changes that have occurred in the fiscal, economic and political environment since the current priorities were originally set. The current spending priorities are highly focussed geographically and there is an ambition to make a difference for all communities living within the borough. In addition, the Council Plan 2020-2022 is under review with revised priorities proposed, informed by the current Labour administration's Manifesto commitments.

Relevance to the Council Plan

9. The Council Plan (2020-2022) is currently under review, the draft spending priorities have been considered against the Labour administration's Manifesto and the Capital Programme. Applications for Strategic CIL (SCIL) funding will be asked to demonstrate how they align to the most current approved Council Plan.

Background

What Infrastructure can the Strategic Community Infrastructure Levy support:

10. The income generated through the Enfield Community Infrastructure Levy (LBE CIL) is to mitigate the impact of development in a charging authorities' area.
11. The Community Infrastructure Levy Regulations 2010 (as amended) sets out under Regulation 59 (1) that a charging authority must apply Strategic CIL to funding (the provision, improvement, replacement, operation or maintenance of) infrastructure to support the development of its area. The Planning Act 2008 definition of infrastructure sets the parameters of what can be funded through the Strategic portion of Enfield Community Infrastructure Levy. The Planning Act 2008 sets out under Section 216(2) that infrastructure includes:
 - roads and other transport facilities;
 - flood defences;
 - schools and other educational facilities;
 - medical facilities;
 - sporting and recreational facilities; and
 - open spaces.
12. Strategic CIL (SCIL) cannot be used to fund the delivery of affordable housing or revenue funding of projects.
13. The review of the current spending priorities guided by the Labour administration's Manifesto, Capital Programme and the Planning Act 2008 definition of Infrastructure have informed the expansion of the SCIL spending priorities, as well as the broadening of the geographical locations considered for future SCIL funding applications coming forward.

Main Considerations for the Council

14. This report seeks approval to revise the current four Strategic CIL (SCIL) spending priorities, to supersede these with six revised spending priorities that broaden the type of and location of where Strategic CIL funding can be allocated against eligible projects to support the delivery of Council led infrastructure projects and reduce Council borrowing.
15. There are currently four spending priorities, which guide how Strategic CIL (SCIL) should be allocated against strategic infrastructure projects for the borough through the financial years 21/22 to 23/24, however these priorities can be revised on an annual basis. The current Strategic CIL (SCIL) spending priorities are heavily focussed on town centres and are:
 - Public realm and environmental improvements within the borough's town centres.
 - Major upgrades to the cultural facilities within the borough's main town centres.
 - Sustainable transport links to town centres and key gateways.

- Community facilities within estate regeneration sites and major town centres.

16. Applications received for Strategic CIL (SCIL) funding are required to align with one or more of the current spending priorities set out above. Project applications are also assessed against the Council Plan (2020-2022), the Capital Programme, the Draft Infrastructure Delivery Plan and the Core Strategy 2010 – 2025. Project Managers are asked to consider how projects also align to other council strategies such as the Blue and Green Strategy, the Cultural Strategy, Housing and Growth Strategy 2020 – 2030 or Climate Action Plan 2020.
17. Under the current spending priorities funding has been allocated to four strategic projects to the value of £5.8million (see table 01). The Strategic CIL (SCIL) allocations have supported the reduction in borrowing by the council against these projects.

Table 01: SCIL and S106 Allocations			
Project Name	Project Location	SCIL Allocation	S106 Allocation
Enfield Town Liveable Neighbourhoods	Enfield Town	£3,999,529	£500,471
Exeter Road Public Realm Improvements	Exeter Road	£1,019,973	£894,200
Dugdale Centre	Enfield Town	£821,000	N/A
Totals		£5,840,502	£1,394,671

18. Strategic CIL (SCIL) and S106 funds have been used together to support project delivery, as set out in table 01. The Enfield Town Liveable Neighbourhoods application was able to unlock S106 funds in the first instance with the remainder of the funding request supported through SCIL. While the Exeter Road Public Realm Improvements secured both S106 and SCIL, the S106 funds were used wholly towards the delivery of Affordable Housing which SCIL cannot be used to support.

Safeguarding Implications

19. There are no notable workforce implications arising from this report.

Public Health Implications

20. Better and more effective coordination of infrastructure delivery and financing is vital to the future health and wellbeing of the borough and mitigating against climate change. The current spending priorities are geographically limited with a focus on town centres. The broadening of the SCIL spending priorities will enable a wider range of Council led infrastructure projects to apply for SCIL funding. This should benefit a wider range of communities

across the borough with the delivery of infrastructure to mitigate against the impact of development in its area, this will include infrastructure such as green spaces, health and leisure facilities, environmental projects, improvements to industrial and regeneration areas.

Equalities Impact of the Proposal

21. Local authorities have a responsibility to meet the public-sector duty of the 2019 Equality Act. The act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when prioritising and spending Strategic CIL (SCIL) income so that our decisions do not unduly or disproportionately affect access by some groups more than others.
22. An Equality Impact Assessment (see appendix 3) has been completed to identify mitigation measures that may be required. We considered the proposal would not disadvantage people who share one of the different nine protected characteristics as defined by the Equality Act 2010 compared to those who do not have those characteristics. There are expected to be benefits from the new spending priorities by addressing existing inequalities in the borough.

Environmental and Climate Change Considerations

23. The proposed amendments to the Strategic CIL (SCIL) spending priorities aim to support the Council in its plans to deliver blue and green infrastructure across the borough and encourage applications to come forward to mitigate against climate change and improve biodiversity in the borough.
24. The proposed amendments will ensure the Council can continue to deliver the Council's climate action commitments to be a carbon neutral borough by 2040. This includes supporting the changes required of the borough's energy system and supporting infrastructure to achieve carbon neutrality targets and increasing the council's resilience against climate change effects.
25. Road-based emissions make-up 40% of the borough's carbon emissions footprint, with key strategies identified to reduce emissions being mode-shift to sustainable transport and decarbonisation of vehicles through electric vehicle infrastructure. Further, wider environmental improvements across the borough can offer opportunity to contribute to wider carbon reductions with opportunities to further secure emission reductions also relating to the built environment and energy systems. The proposed amendments are important to ensure the Council can continue to deliver against commitments.
26. As reported by the IPCC, the effects of change are now unavoidable, and we must be prepared for climate hazards including a future with extreme weather, heat waves and flooding events. Delivering on the Blue Green Infrastructure Strategy and Climate Action Plan is critical at making Enfield a resilient borough, of which this proposal supports.

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

27. At present there is a risk that Council led infrastructure projects that are ready for delivery cannot access Strategic CIL (SCIL) monies to support project delivery and reduce council borrowing because they do not meet the current Strategic CIL (SCIL) spending criteria although they align with the Council Plan (2020-2022) and other strategy documents such as the Blue and Green Strategy.
28. The proposed changes to the Strategic CIL (SCIL) spending priorities aim to address the above risk by enabling a broader range of applications for infrastructure projects to come forward for Strategic CIL (SCIL).

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

Key risk	Action to mitigate
Broadening the range of spending priorities could increase applications for SCIL funding exceeding what is available for allocation. At present allocations are made on a first come first basis, benefiting those ready to apply at the start of each financial year.	To mitigate this risk, a system will be set up to consider all potential SCIL spending projects across the entire funding year, rather than on a first come first served basis.

Financial Implications

29. Strategic CIL (SCIL) receipts can only be spent on capital projects, although associated revenue spending to maintain those capital items is also permissible. The draft Strategic CIL (SCIL) priorities have been set out to align with the Capital Programme and informed by the current Labour administration's Manifesto commitments. Strategic CIL (SCIL) will be used as a resource to help finance the borough's capital programme in line with the Community Infrastructure regulations.
30. Enfield's CIL will be integrated with the medium-term financial strategy and budget setting process and formally allocated through the capital programme (before the end of each financial year).
31. The Strategic portion of the Community Infrastructure levy will depend on the overall amount of borough Enfield CIL (LBE CIL) collected, which is determined by the nature and scale of the development, the number of implemented planning permissions, build-out rates, and the phasing of development etc within the borough. Due to the uncertainty over forecasting, the total amount of Enfield CIL funding and the strategic portion will be based on the total receipts collected from the previous financial year and any unspent receipts from previous financial years.

Legal Implications

32. CIL monies can only be spent on infrastructure, as defined in the Planning Act 2008 (as amended), apart from the neighbourhood portion (15% of CIL monies if there is no adopted neighbourhood plan) which may also be spent on, in addition to infrastructure, anything else that is concerned with addressing the demands that development places on an area.
33. The revised Strategic CIL (SCIL) spending priorities have been broadened to align with the wide-ranging infrastructure needs in the borough. Project applications seeking SCIL funding must demonstrate in the application and assessment process that they align with the SCIL spending priorities, the definition of infrastructure under the Planning Act 2008 and Regulation 59(1) of the Community Infrastructure Levy Regulations 2010 to ensure that SCIL is used to fund (the provision, improvement, replacement, operation or maintenance of) infrastructure to support the development of its area.

Workforce Implications

34. There are no notable workforce implications arising from this report.

Property Implications

35. This report does not of itself directly have any property implications. However, any related proposals envisaged by this report that come forward and do have property implications these would need to be subject to separate reports, full financial appraisal, and approval via established processes (e.g. PPRs) and bodies (e.g. Property Board).

Other Implications

36. Procurement Implications are set out below.
37. The proposals to update on current Strategic Community Infrastructure Levy Spending Priorities do not in themselves have any direct implications on Procurement.
38. The Council has a Sustainable and Ethical Procurement Policy that was approved at Cabinet February 2022. Services need to ensure that all procurement activity (specifically over the threshold) is aligned to this policy, specifically those related to supporting social value and delivering Council objectives and plan.

Options Considered

39. The option to do nothing and retain the existing four spending priorities for Strategic CIL (SCIL) has been considered. Following the first year of allocation and spend against these agreed priorities it has been noted that the focus on Town Centres places significant limitations on other infrastructure projects that could benefit from SCIL funding.

Conclusions

40. It is the recommendation that the proposed changes to the Strategic CIL (SCIL) spending priorities are approved and introduced by 29 December 2022. The approval of the draft SCIL spending priorities will support the Council to better mitigate against the impact of development led growth in its area by enabling SCIL income to be allocated to the broader range spending priorities. These include improvements to existing infrastructure and the delivery of new infrastructure that will help the Council to also tackle inequalities and the climate emergency in its area.

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Date of report

Appendices

Appendix 1: The Infrastructure Funding Statement 20/21

Appendix 2: KD 5029 New decision-making arrangements to spend the Enfield community infrastructure levy and section 106 agreements

Appendix 3: Equality Impact Assessment on Strategic CIL spending priorities

Background Papers

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

The Infrastructure Funding Statement 20/21

KD 5029 New decision-making arrangements to spend the Enfield community infrastructure levy and section 106 agreements

The Enfield Labour Manifesto 2022

Infrastructure Funding Statement 2020/2021

Funding the delivery of high quality infrastructure in Enfield



Summary of the 2020/21 Infrastructure Funding Statement

Enfield is experiencing significant growth in terms of homes, population and jobs. Accommodating this growth will require substantial investment in the provision of high quality supporting infrastructure such as schools, health centres, sport facilities, public transport improvements and new open spaces to meet the demands arising from the influx of new residents and workers, tackle the effects of climate change and reduce the pressure on existing services.

This infrastructure will require careful coordination and planning to ensure sufficient funding is in place to support the effective delivery and phasing of new development.

New developments in the borough will thus be expected to contribute towards meeting the additional infrastructure requirements in the form of developer contributions:

- Community infrastructure levy (CIL)
- Section 106 agreements (S106)

As explained in this statement, Enfield receives and spends significant amounts of funding on delivering a wide range of improvements across the borough, working with a range of organisations such as infrastructure providers, government agencies, statutory bodies, developers, landowners and local groups to address the needs of the growing population, especially as it recovers from the effects of the covid-19 pandemic.

This statement sets out a summary of how much income has been secured from CIL and S106 contributions over the last financial year (2020/21) and how it will be spent over the next reporting period.



Figure 1: Dujardin Mews - Ponders End

In 2020/21, the key headline figures are as follows:

In total, £3.4 million of funding has been raised from a combination of CIL and S106 contributions (see tables 1 and 6 overleaf) to help deliver infrastructure schemes across the borough.

Enfield community infrastructure levy

Total receipts have decreased due to the reduction in CIL liable developments commencing over the last financial year (202/21) as a result of the covid-19 pandemic.

£1.3 million of receipts (strategic CIL) have been collected towards strategic infrastructure priorities through the capital programme (this represents the third highest amount received since the introduction of CIL in 2016).

£245k of receipts (neighbourhood CIL) have been collected and ring-fenced towards local community projects through the ‘Enfield Neighbourhood Fund’.

Mayoral community infrastructure levy

£775 of receipts has been collected on behalf of the Mayor of London to help finance Crossrail.

Section 106 collection and draw-down

£1.1 million of S106 funding has been drawn down towards the provision

of affordable housing and additional school places as well as other types of infrastructure, such as flood alleviation and site specific transport mitigation measures.

In 2020/21, £2.2 million has been received in S106 receipts, mostly in commuted sums towards education, health, and affordable housing. There is a remaining balance of £5.6 million in the pot.

In 2021/22 Strategic CIL/S106 expenditure will be focused on the following priorities:

Enfield community infrastructure levy

Strategic CIL receipts from 2019/20 and 2020/21 will be rolled forward into the 2021/22 balance to facilitate the delivery of large-scale infrastructure projects identified in the capital programme over the next 3 years in line with the following priorities:

- Public realm and environmental improvements within the borough’s town centres.
- Major upgrades to the cultural facilities within the borough’s main town centres.
- Sustainable transport links to town centres and key gateways.
- Community facilities within estate regeneration sits and major town centres.

The Enfield Neighbourhood Fund will give charities, voluntary groups, public bodies, educations institutions and other local community groups access to a share of £1.4 million (secured from CIL receipts collected from 2016/17 to 2019/20) in the form of grants ranging from £10,000 to £60,000. The first and second bidding round will open in the next reporting years (2021/22).

Section 106 agreements

S106 commuted sums will be used towards affordable housing and education contributions.

£200k of S106 receipts has been used towards retrofitting heating systems in existing council owned homes, at Naylor Grove, to connect to Energetik’s heat network.

£160k of S106 receipts will be used towards highways and street-scape improvements, including a new pedestrian crossing at Lavender Hill.

£130k of S106 receipts will be used towards creating safe and secure cycle routes as part of the Cycle Enfield programme.

£95k of S106 receipts will be used to help deliver flood alleviation infrastructure at Woodland Way and Moore Brook (a lost tributary of Pymmes Brook).



Figure 2: Meridian Water masterplan - Troubadour theatre

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Section 1

View southwards towards Canary Wharf, from The Ridgeway, Enfield

Welcome to Enfield's Infrastructure Funding Statement

1.1 This statement sets out our approach to securing contributions from developments in the borough. In particular, it outlines how much money has been raised and collected from new developments, how much has been spent and what it has been spent on. This covers the period from April 2020 to March 2021. It also sets out how this money will be prioritised and spent over the next financial year (2021/22) and beyond (taking account of known and expected infrastructure costs and other potential sources of funding).

1.2 Enfield, like other London boroughs, is required to produce an infrastructure funding statement on an annual basis, in light of changes to government legislation introduced in 2019¹. This represents the

borough's second infrastructure funding statement.

1.3 The money raised from developers - known as 'developer contributions' or 'planning obligations' - is used to help fund the provision of supporting infrastructure and maximise the benefits and opportunities from growth, such as employment opportunities, access to nature and affordable homes. This statement explains how this funding will be targeted to support the delivery of the borough's corporate strategies (see figure 1) and the regeneration of key growth areas (e.g. Meridian Water, Enfield Town, Southgate, Palmers Green and Angel Edmonton) in line with identified needs.

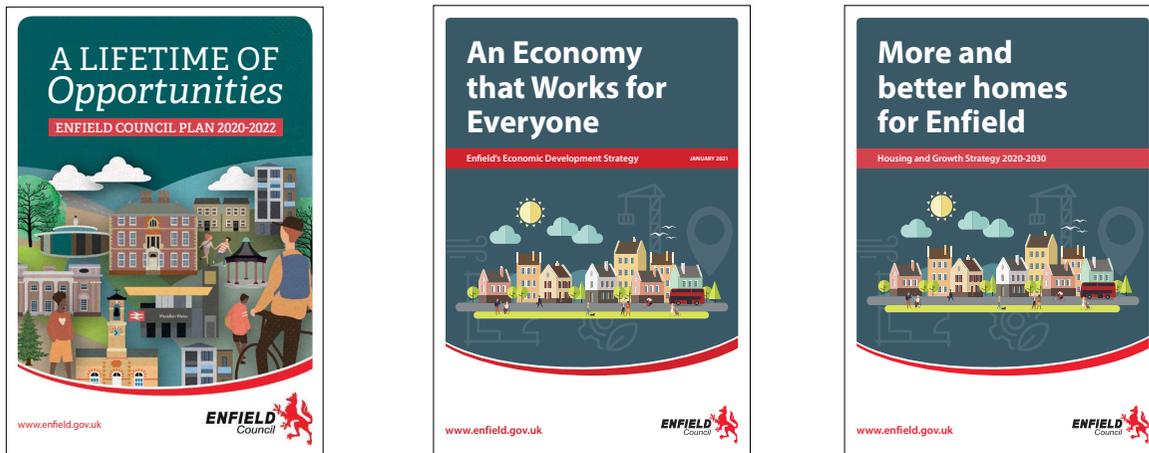


Figure 3: Enfield Council Plan and examples of various corporate strategies²



Figure 4: Ordnance Road - estate regeneration scheme

Types of developer contributions

1.4 In Enfield there are two types of developer contributions:

COMMUNITY INFRASTRUCTURE LEVY (CIL)

This is a tariff-based charge on the development of new floorspace (per square metre) in the borough. The money can be used to fund a wide range of infrastructure (e.g. roads, cycle lanes, public realm improvements and flood defences) that is needed to meet the future growth needs of the borough.

SECTION 106 AGREEMENTS (S106)

These are legal agreements that are used to mitigate the impacts of development and ensure that Enfield's planning policy requirements (as set out in the Core Strategy and the Section 106 Supplementary Planning Document) are fully met.

1.5 Section 2 sets out the context in which this statement has been prepared.

1.6 Section 3 outlines the collection and spending of CIL income over the last financial year (2020/21) and the planned expenditure of CIL income over the coming financial year (2021/22).

1.7 Section 4 sets out S106 agreements signed, financial contributions received, current S106 balances and planned expenditure over the next reporting period.

1.8 Section 5 outlines projects delivered through the use of CIL and S106 monies during the reporting period of 2020/21.

1.9 Alongside this statement, a summary of 2019/2020 collection and expenditure data has been prepared to ensure compliance with the latest CIL regulations (schedule 2). This is due to early completion of the first infrastructure funding statement (2019-20) in advance of the financial year end.

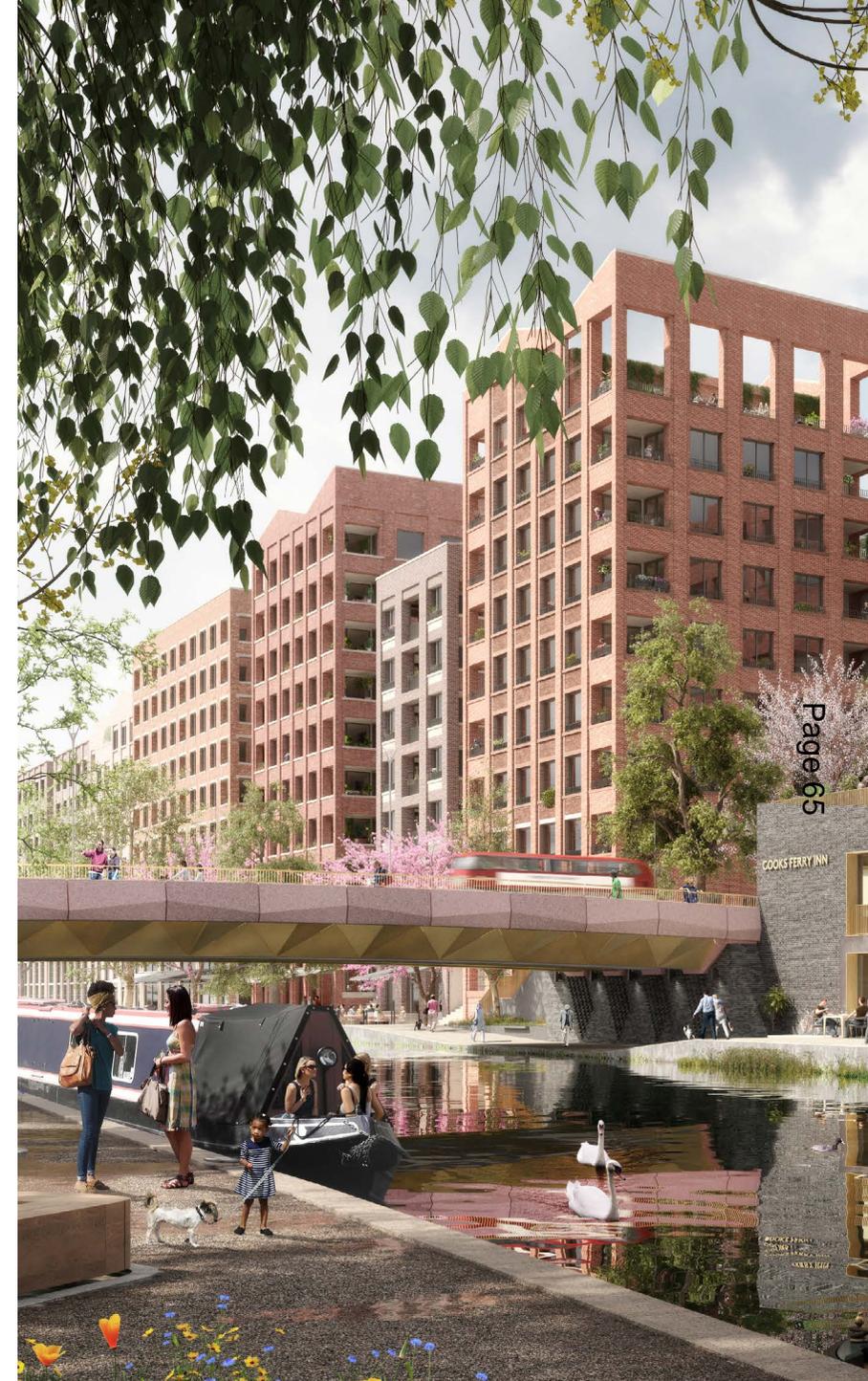


Figure 5: Meridian Water masterplan canal-side

HEADLINE FIGURES 2020/21*



£1.6m

Enfield CIL collected**



£2.2m

Total S106 collected



£82k

CIL receipts spent



£1.1m

S106 spent



£4.8m

CIL balance***



£5.6m

S106 balance****

*Figures are rounded up to the nearest hundred thousand.

**The figure includes administrative fees from Enfield CIL and mayoral CIL receipts (see appendix C).

*** This balance is based on pooling CIL receipts between 2018/19, 2019/20 and 2020/21

**** The S106 balance is monies received in year, or carried forward into this reporting year from previous years, that have not been spent in 2020/21 by the 31st March 2021.

Figure 6: Headline figures



Figure 7: Woodland way - rain gardens (right)



Section 2

Meridian Water masterplan - visualisation

SECTION 2: DELIVERING SUSTAINABLE GROWTH IN ENFIELD

Enfield in context

2.1 With over 330,000 inhabitants in an area of 34.7 square miles, Enfield is one of the largest and most populated boroughs in London.

2.2 As shown on figure 1, Enfield sits in a strategic location on the northern edge of Greater London, with a diverse mix of land uses and settings ranging from open rolling countryside in the north and densely built-up areas in the south, including a chain of river valleys and reservoirs. Enfield borders the London boroughs of Barnet, Haringey and Waltham Forest and the counties of Essex and Hertfordshire.

2.3 Enfield lies within the heart of the UK Innovation Corridor offering excellent connections along the strategic transport network to Cambridge, Central London and Stanstead Airport as well as prime industrial sites. The M25 runs along the northern edge of the borough and connects with the A10 (Great Cambridge Road) and the M1, M11 and A1. Enfield also benefits from direct rail links to central London from underground, national rail and overground services, and has an extensive network of bus and active travel routes.

2.4 Enfield has access to more waterways and open spaces than any London borough, including areas of rolling

countryside and leisure destinations, such as Enfield Chase, Forty Hall and Lee Valley Regional Park.

2.5 By virtue of its geography and access to natural resources, Enfield supplies much of London's energy needs, such as drinking water (e.g. reservoirs and ground water aquifers), food production (e.g. allotments) and renewable electricity from waste recovery facilities (e.g. Edmonton Eco Park).

2.6 Enfield's deprivation levels are decreasing but remain higher than the national and London average, particularly in densely built-up areas (e.g. Edmonton, Ponders End and Turkey Street) and remote locations (e.g. Enfield Lock). The gap between average income and housing prices in the borough has widened in recent years, preventing many residents from entering the local housing market.

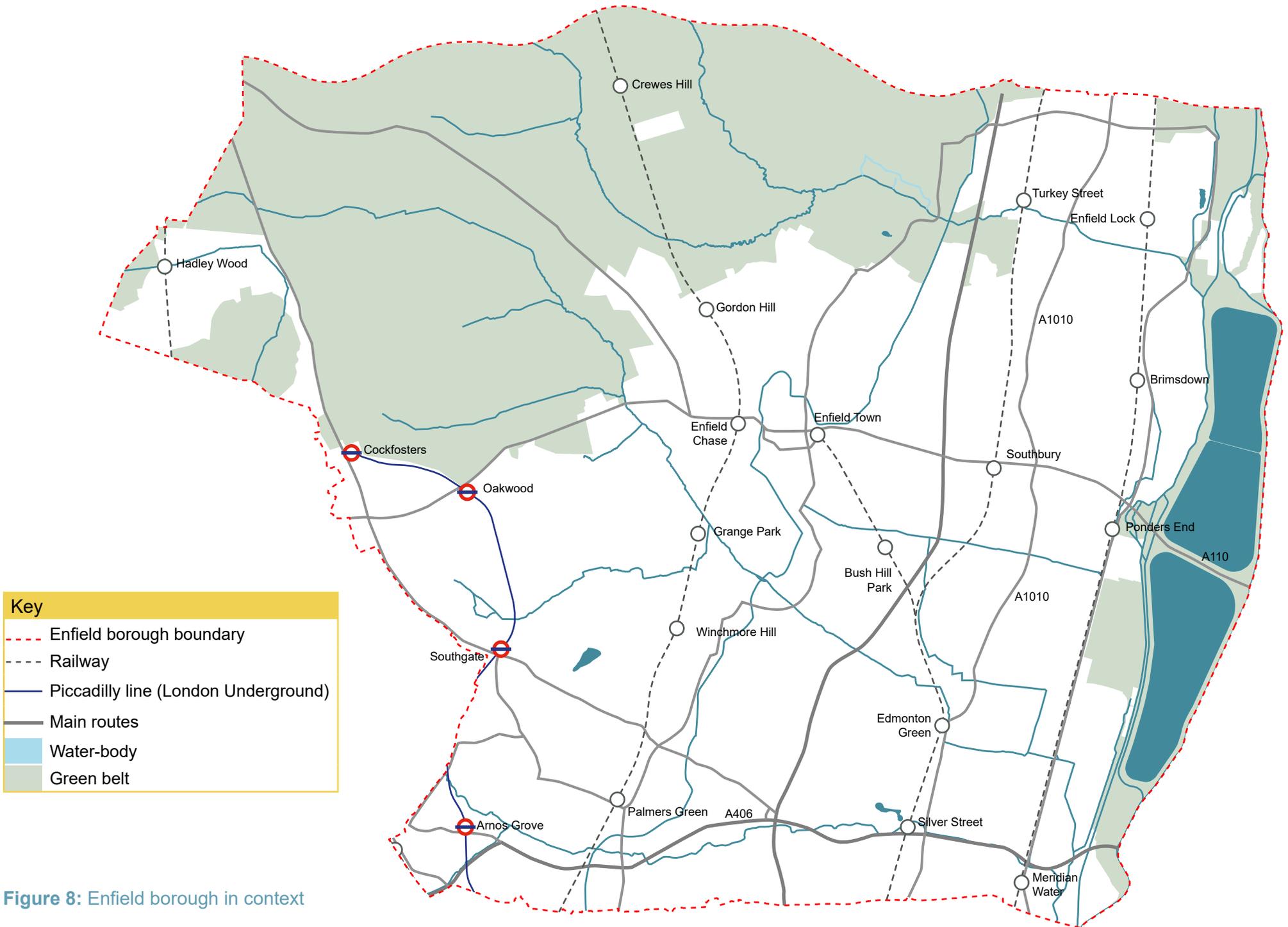
2.7 Enfield, like many London boroughs, is growing at a fast pace. Despite an aging population, the borough is younger compared to the rest of London and the UK – over a third of residents are under the age of 18. By 2041, Enfield's population is expected to reach over 400,000 inhabitants.



Figure 9: Metaswitch - new headquarters (Enfield Town)



Figure 10: Market Square (Enfield Town)



Key

- Enfield borough boundary
- Railway
- Piccadilly line (London Underground)
- Main routes
- Water-body
- Green belt

Figure 8: Enfield borough in context

2.8 Some of the ongoing infrastructure challenges facing the borough include:

- overcoming traffic bottlenecks along main routes into London (e.g. A110, A1055 and A10) and poor east-west links;

- improving access to nature and culture, especially in areas of deficiency (e.g. upper Lea Valley);

- reducing greenhouse gas emissions from transport and buildings to net zero, including through energy efficiency retrofitting, the roll-out of renewable energy networks and the deployment of innovative technologies (e.g. heat pumps);

- supporting the Mayor of London's goal of 80% of all journeys to be made on public transport, walking and cycling by 2041 and enabling the roll-out of electric vehicle charging points³;

- increasing infrastructure investment and funding opportunities (e.g. S106 agreements) through new developments⁴;

- modernising, redeveloping and upgrading the borough's existing housing and industrial estates to provide new affordable homes and better-quality facilities;

- strengthening our resilience to future threats from global pandemics and climate change, such as flooding, drought and overheating;

- tackling air pollution, reducing waste and moving to a low-carbon circular economy;

- improving health and quality of life and reducing inequalities; and

- reversing the decline in biodiversity and open space.

Delivery of infrastructure and services in Enfield

2.9 New developments will be required to contribute towards the delivery of infrastructure to support the future planned levels of growth in the borough, as set out in the Local Plan. This includes:

- new schools;
- improvements to parks and open spaces;
- new pedestrian and bus links to key destinations;
- sport and health facilities; and
- affordable homes.



Figure 11: Flood alleviation - Haselbury rainwater garden



Figure 12: The new A105 cycle lane⁶

2.10 Careful coordination and planning will be required to ensure that sufficient funding is available from developer contributions and other sources (e.g. match funding) to facilitate the timely delivery of this infrastructure, in the right locations and at the right time across the borough over the short, medium and long term.

2.11 Contributions are expected to increase over the coming years in response to rising levels of development and growth. Spending levels will also need to be closely monitored to take account of changing priorities, needs and the phasing requirements of development.

2.12 Funding from CIL and S106 will be targeted towards the investment priorities set out in corporate strategies and plans, including the adopted Local Plan, Council Plan, Economic Development Strategy, Cultural Strategy, Blue and Green Strategy and Biodiversity Action Plan.



Figure 13: Tree planting in Enfield- increasing biodiversity in the borough



Section 3

Woodland Way - rain gardens

Section 3: Community infrastructure levy

Overview

3.1 This section sets out how much CIL has been collected over the past financial year and how it will be spent and prioritised over the next reporting period (as per the requirements set out in relevant planning practice guidance and the CIL regulations).

3.2 The level and timing of CIL funding will depend on the nature and scale of the development, the number of implemented planning permissions, build-out rates, and the phasing of development etc. Due to the uncertainty over forecasting, the amount of CIL funding will be based on the total receipts collected from the previous financial year and any unspent receipts from previous financial years⁵.

3.3 This charge applies to most new development where there is a net additional floorspace of 100 square metres or more, or where a new dwelling has been created.

3.4 Relief and exemptions from the levy apply to some development and strict criteria must be met and procedures followed to obtain relief or exemption.

3.5 There are two types of CIL that are collected in Enfield:

Mayoral CIL

A standard charge which applies to most new development across Greater London and is used to help fund Crossrail.

Enfield CIL

A standard charge which applies to most new buildings and extensions in the borough (e.g. residential and some retail and commercial development).

Exceptions to this charge include schools, health facilities, charitable development, and self-build housing.

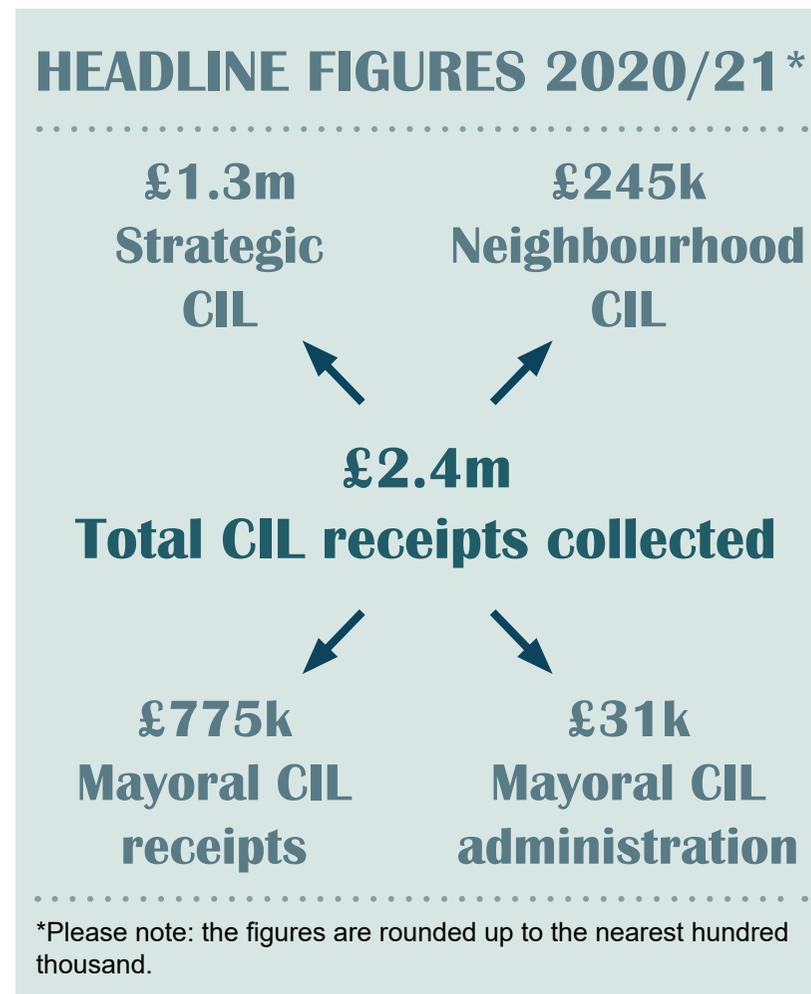


Figure 14: CIL headline figures

Enfield CIL

3.6 Since its introduction in 2016, Enfield's CIL has been used to help deliver necessary infrastructure across the borough to support the needs arising from development.

3.7 Charging rates are set out in the adopted Enfield Charging Schedule⁶. The amount of CIL payable depends on where the development is located within the borough and the type of development (ranging from £0, £40, £60 and £120 square metres).

3.8 Unlike section 106 agreements, the rate of CIL payable is both mandatory and non-negotiable⁷. CIL can also be levied on a much wider range of developments (although there are some exceptions, such as small-scale affordable housing and self-build projects).

3.9 In 2020/21, Enfield raised £1.6million of CIL income (see appendix C). The largest amounts of Enfield CIL received came from five developments, as listed in table 2 and located in figure 15, with each of the 5 sites located in the highest charging zone.

	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic	£165,844	£402,289	£5,118,799	£1,823,768	£1,307,317
Neighbourhood	£31,096	£75,429	£959,775	£341,956	£245,122
Administration	£10,365	£25,143	£319,925	£113,985	£81,707
Total	£207,305	£502,862	£6,398,499	£2,279,710	£1,634,146

Map ref.	Planning application reference ⁹	Site address	CIL payments
1	19/02276/FUL	Oakwood Methodist Church, Westpole Avenue, EN4 0BD	£288,114.97
2	17/01864/FUL	Capitol House, 794 Green Lanes, N21 2SH	£260,903.65
3	15/02026/FUL	18 & 20 Bush Hill Cottage, N21 2BX	£242,245.98
4	19/03008/FUL	110 Bush Hill, N21 2BS	£121,445.61
5	17/03044/FUL	23 Camlet Way, EN4 0LH	£101,817.81

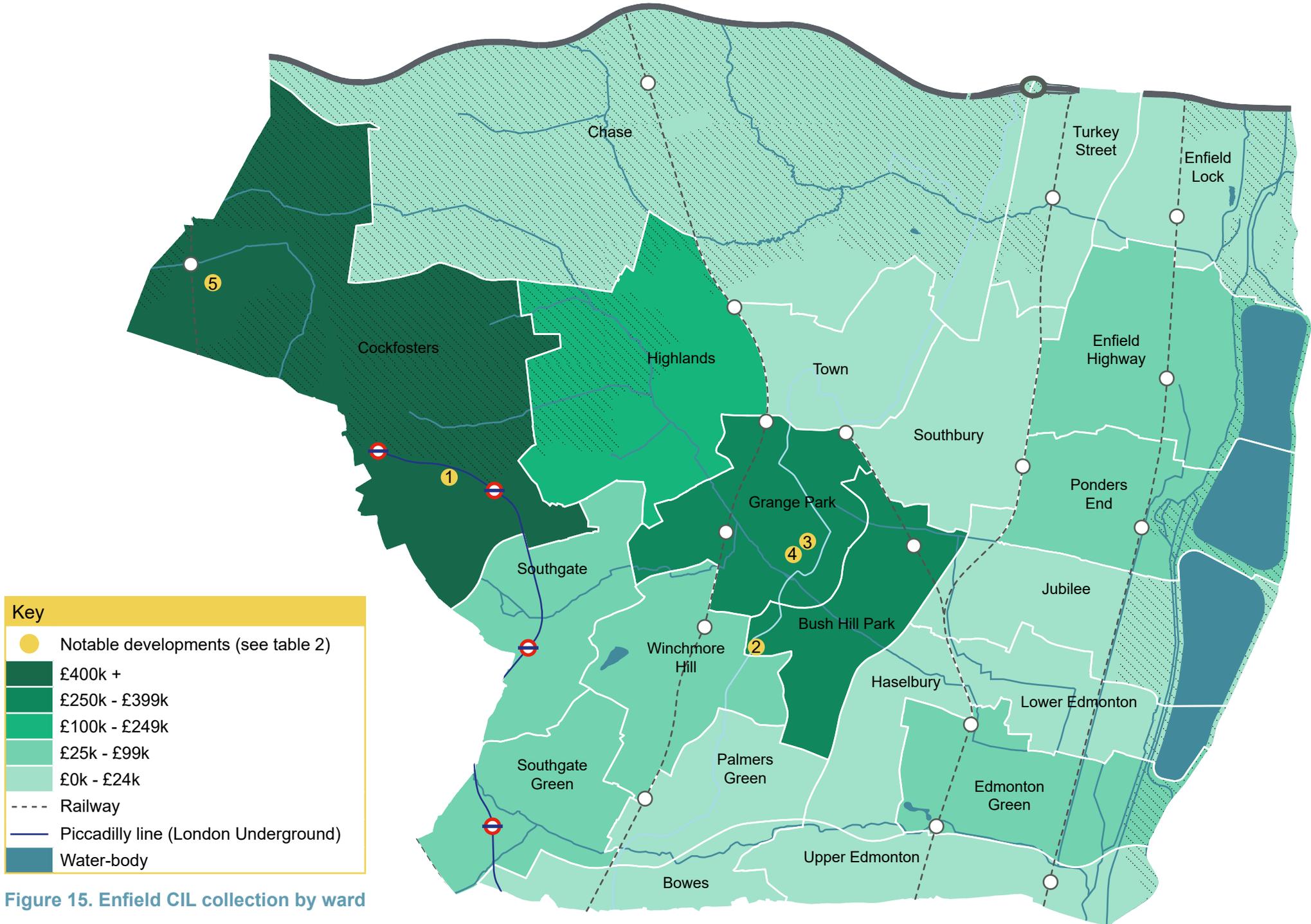


Figure 15. Enfield CIL collection by ward

3.10 In 2020/21, overall receipts (Enfield CIL and Mayoral CIL) were lower than anticipated (see table 3). This is due to the reduction in CIL liable developments commencing during the reporting period.

3.11 As reported in the national press, the covid-19 pandemic has severely affected the local economy and supply chains, including causing significant disruption to construction and development projects in the borough, with the transitional difficulties arising from Brexit compounding the pressure on the local workforce.

3.12 In response to the spread of covid-19 and lock-down restrictions, the government introduced temporary changes to the regulations (July 2020 to July 2021¹⁰) to allow small and medium-sized developers experiencing financial difficulties to defer affordable housing and infrastructure payments (CIL and S106) over a limited period of time.

3.13 During the reporting period, 9 CIL deferrals were authorised, with a total value of over £1 million. Of these, 8 were received within the 2020/21 financial year with £20k falling outside of this reporting period (see table 4).

Table 3: Enfield CIL income by quarter					
Year	Q1	Q2	Q3	Q4	Total collected
2016/17	N/A	N/A	£64,582	£142,723	£20,7305
2017/18	£95,805	£108,386	£135,028	£163,642	£50,2861
2018/19	£349,678	£594,726	£1,241,981	£4,212,115	£6,398,500
2019/20	£533,632	£1,182,838	£100,588	£462,651	£2,279,709
2020/21	£50,175	£760,882	£624,511	£198,578	£1,634,146

Table 4: Enfield CIL deferred payments		
Planning application reference	Total amount	Paid on
19/01400/FUL	£91,147	23/11/2020
17/020772	35,907	Due on 07/06/2021
19/03008/FUL	£172,957	21/09/2020
17/01864/FUL	£185,783	02/08/2020
17/00260/FUL	£20,427	Due on 17/06/2021
17/03044/FUL	£245,337	Due on 30/04/2021
18/02940/FUL	£4,428	Due on 07/04/2021
15/02026/FUL	£291,854	16/07/2020
18/00238/FUL	£5,606	02/03/2021
Total	£1,053,445	

3.14 Strategic CIL funding will be ring-fenced to support a rolling programme of capital projects on an annual basis, focused on the regeneration and physical renewal of the borough's key town centres and transport gateway hubs, in response to the effects of the covid-19 pandemic and climate change.

3.15 Based on previous trends and anticipated build out rates, Enfield is forecast to collect around £10 million pounds of strategic CIL funding over the next three years. Accumulating funding over successive years will enable us to facilitate and draw down significant investment from other sources (e.g. capital budget funding and government grants) towards the delivery of major infrastructure projects in line with priorities of the capital programme¹¹.

3.16 In terms of priority, strategic infrastructure projects will be expected to:

- be delivered within the latest time-scales of the capital programme;
- address or overcome existing capacity shortfalls (especially within areas of deficiency);

- open up major development/investment opportunities within the borough's growth areas (including town centres and transport gateways);

- unlock match funding from other sources and/or plug existing funding gaps; and

- align with statutory policies (e.g. Local Plan) and corporate programmes set out in strategies and action plans.

3.17 Funding allocations will be identified through the Infrastructure Delivery Plan, emerging town centre action plans and other relevant strategies (see section 2) to support the delivery of infrastructure projects through the borough's capital programme.

3.18 The Infrastructure Delivery Plan provides a schedule of planned infrastructure projects to address short, medium and long term needs in the borough. The schedule will be reviewed and updated on an annual basis through the capital programme to support infrastructure delivery associated with the planned increase of new homes and jobs over the Local Plan period to 2039¹².

STRATEGIC CIL SPENDING PRIORITIES

CIL receipts will be made available over the next three financial years to spend, in whole or in part, on the following items of infrastructure:

- Public realm and environmental improvements within the borough's town centres.
- Major upgrades to cultural facilities within the borough's main town centres.
- Sustainable transport links to town centres and key gateways.
- Community facilities within estate regeneration schemes and major town centres.

CIL relief and exemptions

3.19 Relief and exemptions are available under part 6 of the CIL regulations from regulation 41 to regulation 58ZA.

3.20 Certain types of developments are exempt and can get relief from CIL, such as affordable homes, charitable development, self build new homes, residential extensions and utility maintenance. Some exemptions are mandatory and some exemptions are discretionary (as explained at www.planningportal.co.uk).

3.21 In 2020/21, £1.4 million of CIL relief was granted to qualifying developments (see appendix P) which included:

- 8 self build cases;
- 2 annex exemptions;
- 5 extension exemptions; and
- 2 mandatory social housing relief

Table 5: CIL exemptions granted in 2020/21¹³

Map ref.	Planning application reference	Site address	CIL relief type	CIL relief total
1	19/03802/RE4	26 Cosgrove Close, N21 3BH	Social housing relief (mandatory)	£801,799
2	19/04287/FUL	76 Broad Walk, N21 3BJ	Self-build exemption	£141,397
3	19/03824/FUL	Land At Hoppers Road, Winchmore Hill, N21 3JR	Self-build exemption	£84,854
4	19/01285/FUL	699 Green Lanes, N21 3RS	Social housing relief (mandatory)	£56,467



Figure 16: Places holder (Meridian Water Masterplan - Phase 1)

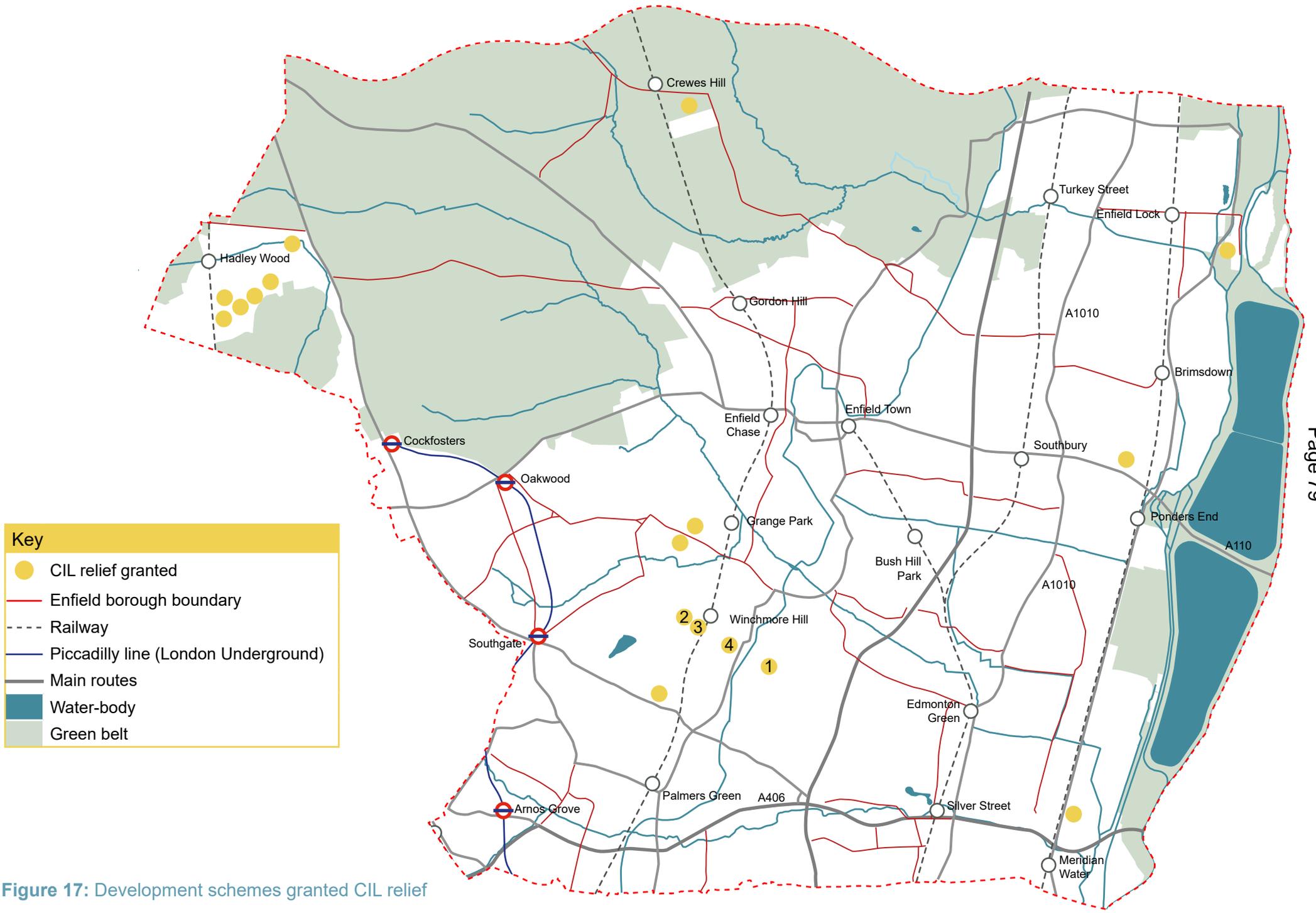


Figure 17: Development schemes granted CIL relief

Enfield CIL expenditure (2020/2021)

3.22 Strategic CIL receipts from 2016/17 to 2018/19 were allocated and pooled towards the delivery of a new railway station at Meridian Water (as shown in the photograph on the right) in the south east of the borough, totalling £5.69 million.

3.23 The new station is facilitating the delivery of new housing in the Meridian Water masterplan area, which is due to commence in late 2021.

3.24 Strategic CIL monies will be rolled forward from the last two financial years (2019/20 and 2020/21) into the next reporting period (2021/2022) to support the delivery of major investment projects (as explained in paragraph 3.15) as identified in the capital programme.

Table 6: Enfield CIL types

Type	Percentage of total receipts	Commentary
Strategic	80%	Receipts can only be spent on capital projects to fund infrastructure projects of strategic importance.
Neighbourhood	15% (or up to 25% in a neighbourhood planning area)	Receipts can be spent on both capital projects and revenue projects, such as the maintenance of infrastructure. However, it does not have to be spent in the same area as the development.
Administration	5%	This covers administrative expenses (e.g. staff, system support and training costs).

Table 7: Enfield CIL expenditure since collection began in 2016/17

Year	2016/17	2017/18	2018/19	2019/20	2020/21
£	£165,844	£402,287	£5,118,799	£0	£0



Figure 18: Meridian Water rail station



Neighbourhood CIL

3.25 Councils have a duty to pass on a proportion of CIL receipts to local neighbourhoods (this is known as the neighbourhood portion)¹⁴. In non-parish areas, such as Enfield, the neighbourhood portion is capped at 15%, but rises to 25% in areas where a neighbourhood plan has been formally adopted. However, there are currently no adopted neighbourhood plans in place in Enfield.

3.26 Since its introduction in April 2016, over £1.9 million of Enfield CIL funding has been collected and ring-fenced towards local neighbourhood projects in the borough. Of this, £1.4 million has been made available through the Enfield Neighbourhood Fund to support local community projects in 2021/2022¹⁵. The remainder of the money will be rolled forward along with the receipts from the next reporting period (2021/2022) into future rounds of the fund.

3.27 This fund has been set up to ensure that local communities benefit from new development, such as environmental improvements and new community facilities, especially as they recover from the effects of the covid-19 pandemic.

Each year, local community groups and stakeholders are invited to nominate projects through the Enfield Neighbourhood Fund.

The fund seeks to support a wide range of innovative projects that will help reduce deprivation, improve the environment and widen access to opportunities, such as jobs, training and local services. Examples include but not limited to:

- improvements to streets and local green spaces;
- habitat creation and restoration;
- climate change mitigation and adaptation (e.g. sustainable urban drainage systems);
- community gardens and orchards;
- community safety measures;
- festivals and events;
- on-going maintenance and management of assets.

Grants ranging from £10,000 to £60,000 will be made available to council departments, community representatives and charitable organisations through two bidding rounds in 2021 and 2022¹⁶. In all cases, projects must:

- align with the recommendations set out in the Enfield Poverty and Inequality Commission Report¹⁷;
- offer value for money;
- address the demands that development places on an area (as per the CIL regulations);
- contribute to the priorities of the Council Plan and other relevant strategies; and
- not require additional revenue funding in its delivery or operation.

Where possible, projects will be expected to show an element of match funding (for example, through crowd-funding).

Administration

3.28 In 2020/21, 5% of receipts (totalling £81,707) from Enfield's CIL will be used to cover administrative costs.

3.29 As per the regulations, these funds will be spent on the management, staffing, administration, information technology and legal costs involved in:

- the collection of CIL;
- the setting up and maintenance of effective systems (e.g. Exacom) to coordinate the administration of CIL;
- the ongoing management and monitoring of CIL spending and associated projects; and
- ongoing training needs (e.g. calculating CIL charges).

Mayor of London community infrastructure levy

3.30 Enfield has been collecting CIL on behalf of the Mayor of London since April 2012¹⁸. These funds are transferred to the Transport for London on a quarterly basis to help finance Crossrail.

3.31 The Mayor of London's latest charging schedule (known as MCIL2) came into effect on 1 April 2019¹⁹. Qualifying developments are charged £60 per square metre in Enfield²⁰.

3.32 The money generated from this fund will be used to fund the delivery of the proposed Crossrail 1 (the Elizabeth Line). The new line, once operational, will run from Reading and Heathrow airport in the west through various tunnels across central London to Shenfield and Abbey Wood in the east (as shown on figure 3) and is due to open in early 2022.

3.33 Table 8 shows a breakdown of Mayoral CIL collection in 2020/21.

3.34 In line with the regulations, 96% of MCIL receipts are transferred to Transport for London and the remainder (4%) is retained to cover the administration of the fund (collection purposes only). All of these receipts must be spent before the end of each financial year in line with the regulations.

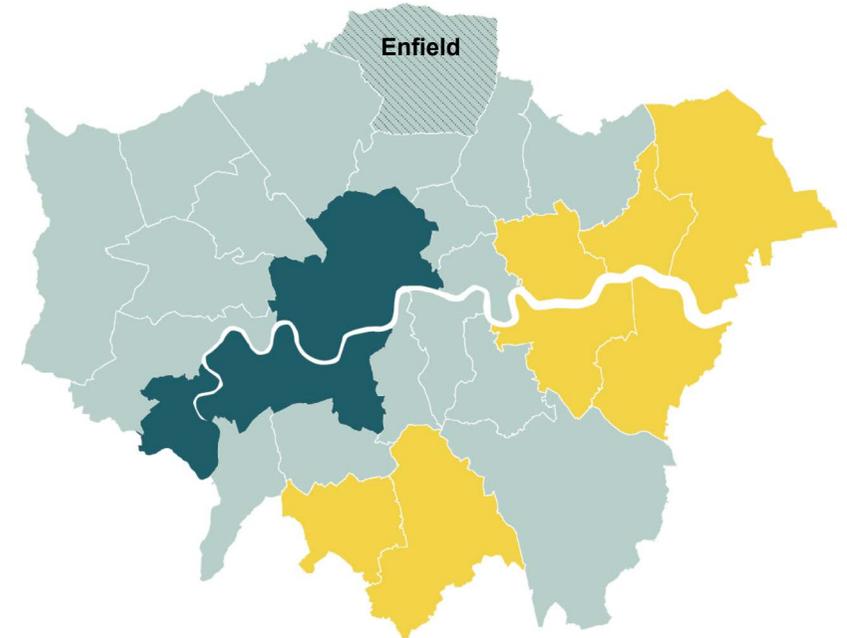


Figure 19: Mayoral CIL charging zones

Key	
	MCIL band 1 (higher rate)
	MCIL band 2 (medium rate)
	MCIL band 3 (lower rate)

Table 8: Mayoral CIL receipts collected in 2020/21	
Mayoral CIL	£743,847
Administration	£30,994
Total	£774,841



Section 4

Market Square, Enfield Town

Section 4: Section 106 contributions

Overview

4.1 This section sets out financial contributions received via section 106 agreements (S106) and how this income will be spent and prioritised (as per the requirements set out in relevant planning practice guidance and the CIL regulations).

4.2 S106 funding must be spent in accordance with the terms of the legal agreement (as part of the planning application process). The heads of terms can include a clause to spend the S106 contribution between five and ten years of the agreement. S106 funding is more closely tied to the phasing of development set out in the terms of the legal agreement.

4.3 S106 income varies on a site-by-site basis depending on a range of factors, such as the viability of development and land use constraints. This makes it difficult to forecast future S106 income and expenditure.

Signed agreements

4.4 In 2020/21, 23 individual S106 agreements were signed. Of these, 9 were financial agreements and 14 were non-financial agreements. Notable S106 agreements are listed in table 9 overleaf.

4.5 A full list of all planning applications with S106 financial and non-financial agreements signed over the period from April 2020 to March 2021 can be viewed in appendices F and I.

Financial contributions received

4.6 In 2020/2021, £2.2 million of receipts were collected from S106 contributions, following the commencement of new developments in association with planning permissions.

4.7 Total receipts in 2020/21 came from 18 planning applications (see appendix G). However, over £1.7 million of this income came from the three major development schemes listed in table 10 overleaf.

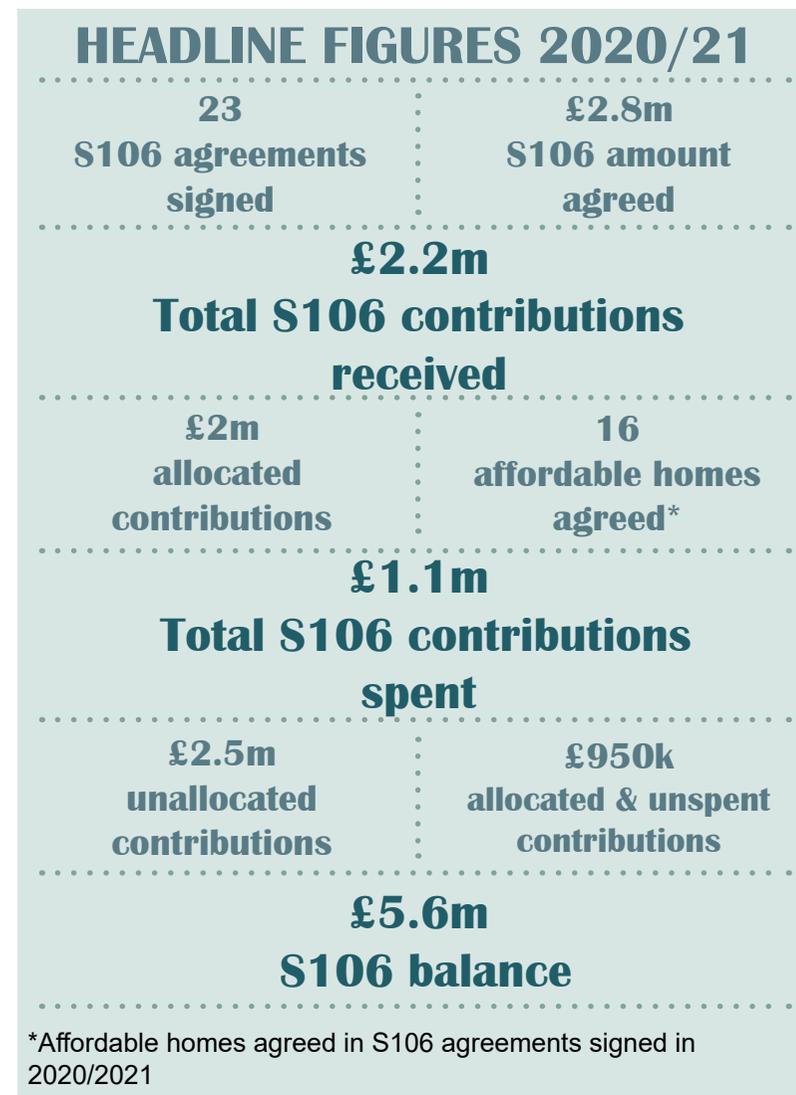


Figure 20: S106 headline figures

Definition of S106 obligations

Section 106 obligations are site-specific financial contributions secured through legal agreements to mitigate the impact of development, including

- the provision of education facilities;
- traffic and transport/highways related works;
- open space provision;
- affordable housing contributions (where accepted in lieu of on-site provision);
- non-financial obligations, including requirements such as employment and skills strategies, construction management plans and travel plans.

Table 9: Notable S106 agreements²¹

Map ref.	Planning application reference	Site address	Contribution type	Amount
1	19/02276/FUL	Land to the north side of Westpole Avenue, EN4 0BD	Affordable housing contribution	£1,931,680
2	20/00353/FUL	397 Cockfosters Road, EN4 0JS	Affordable housing contribution	£450,750
3	19/01044/FUL	79 Windmill Hill, EN2 7AF	Affordable housing (10 units)	10 units

Table 10: Significant S106 contributions received 2020/21²²

Map ref.	Planning application reference	Site address	Contribution type	Financial contribution
A	P12-02202PLA	Ladderswood, Arnos Grove, N11 1SG	<ul style="list-style-type: none"> • Childcare contribution • Education contribution • Healthcare contribution • Open space contribution 	£1,296,239
B	17/00459/FUL	383 Cockfosters Road, EN4 0JS	<ul style="list-style-type: none"> • Affordable housing contribution • Education contribution 	£280,529
C	17/00344/RE4	Bury Lodge depot, N9 9LA	<ul style="list-style-type: none"> • Cycle Enfield contribution • Sustainable transport contribution 	£136,696

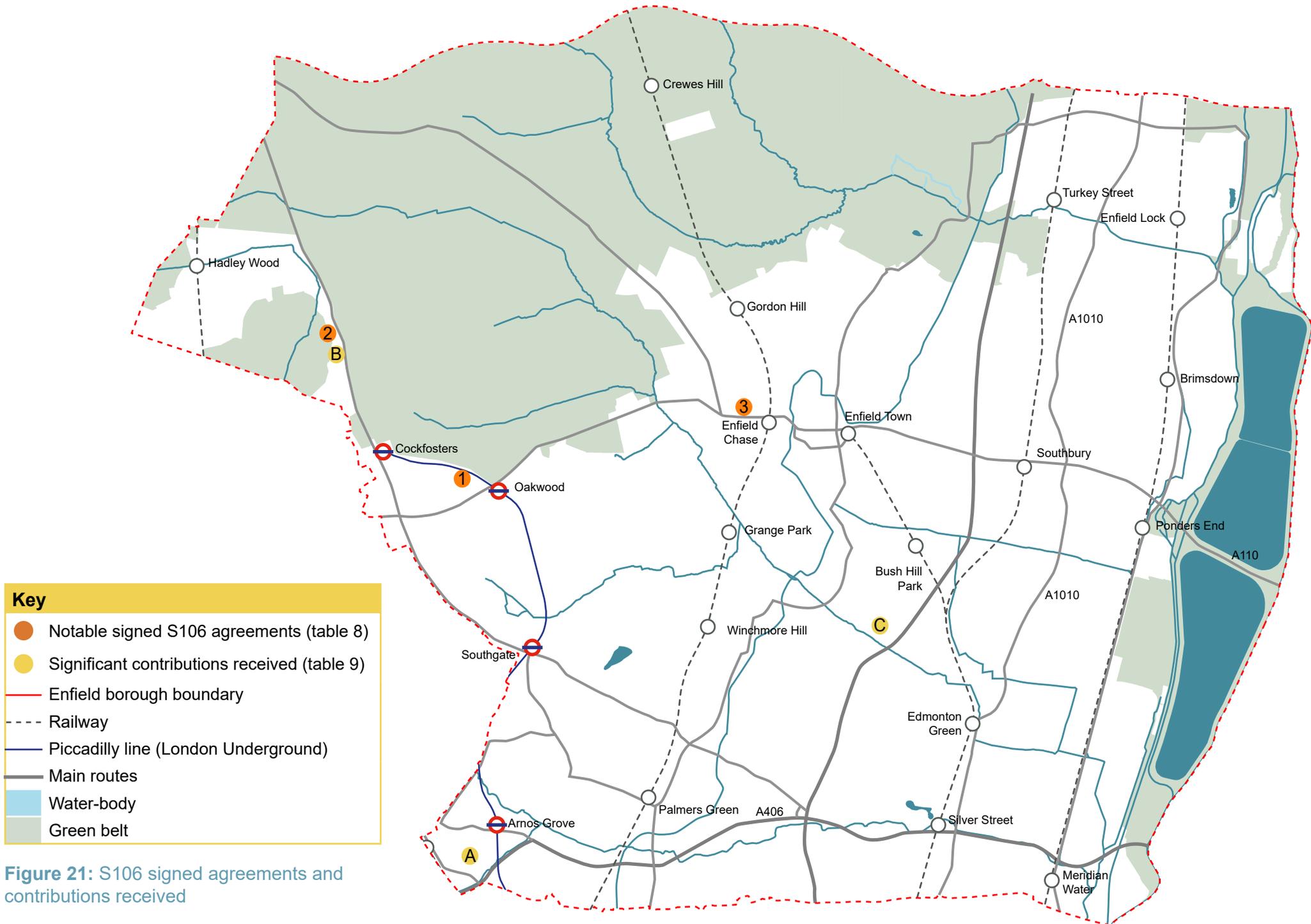


Figure 21: S106 signed agreements and contributions received

S106 income and expenditure

4.8 In 2020/21, a total of £2.19 million was received in S106 contributions, representing an increase from the previous financial year (as shown in table 11).

4.9 Expenditure in 2020/21 was lower than anticipated due to the impact of covid 19 (see paragraph 3.10) and tighter spending time-frames from other funding sources (e.g. grant funding from the Education Funding Agency) to carry out transport related works and primary expansion schemes.

4.10 As of 31 March 2021, the current S106 balance of £5,575,885 comprises of:

- £1,987,3021 of the current balance is formally committed to specific projects.
- £2,473,942 in S106 funds remain available to be allocated towards future projects in 2021/2022²³.

4.11 Over £2.9 million of S106 funds have either been spent or transferred to committed projects in 2020/2021. Spending is focused on the delivery of infrastructure: affordable homes, employment, open space, public transport improvements and other opportunities needed to support growth in and around the borough and maximise the benefits secured from development (in line with the priorities set out in the adopted Core Strategy²⁴ and the S106 Supplementary Planning Document)²⁵.

4.12 The following provides a summary of S106 expenditure contributing towards the delivery of key projects across service areas in 2020/21.

S106 Summary of expenditure 2020/21

£404,576 towards the provision of affordable housing delivery as part of the borough's estate renewal programme (see table 14 overleaf)

£156,892 towards an additional 20 primary autistic spectrum places at Garfield's former KS2 building (as identified in the latest pupil places capacity and delivery strategy²⁶)

£207,684 towards various transport improvements around the borough (e.g. cycling, pedestrian crossings and controlled parking zones)

£222,532 towards public park and open space improvements

£95,000 towards air quality/sustainability measures (as per the targets set out in the adopted Enfield Climate Action Plan)

Table 11: S106 income and expenditure in the past 3 financial years

Year	Received in year (£)	Expenditure in year (£)
2018/19	2,786,438	4,161,856
2019/20	1,743,189	1,482,213
2020/21	2,193,637	1,078,097

Planned expenditure in 2021/22

4.13 There is approximately £2 million of planned expenditure in place with further plans to increase S106 allocations towards future spending over the next financial year and beyond.

4.14 Details of planned S106 expenditure are set out in table 13. Much of our planned spending is focussed on small-scale improvement works to directly mitigate the impact of development.

4.15 In terms of the unallocated remaining balance, careful consideration will be given to how the monies will be allocated and spent according to the legal definition within the corresponding S106 agreements as well as the wider funding and policy context (see sections 5 and 6).

4.16 Section 106 project bids that came forward during the financial year are listed in table 12, table 13 and located in figure 22 (overleaf).

Table 12: S106 revenue project submissions in 2020/21		
Planning application reference	Project details	Funding approved
16/01578/FUL	New Avenue estate - highways improvements	£160,000
18/03845/FUL	Drapers Road - works traffic order contribution	£5,000
P12-02266PLA	Woodland Way - flood alleviation project	£45,000
P12-03179PLA	244-262 Bowes Lane Road - safety improvements	£30,584
TP/11/1307	Gwalior House Avenue Road - highways improvements	£20,333.78
14/04886/VAR		
P12-02202PLA	Ladderswood estate - PERS audit and greenway improvements	£30,451
P12-03055PLA	SEGRO industrial estate - footpath contribution	£15,619
TP/09/1238	Enjoy Enfield summer festival	£80,000
P12-02202PLA		
Various		
P12-03055PLA		
17/04748/RM	Alma estate - controlled parking zone (CPZ)	£25,000
P14-00197PLA	109 Station Road - highways improvements	£10,000
14/04205/FUL	Enfield Playing Fields	£35,000

Table 13: S106 capital funding submission in 2020/21

Map ref.	Project name	Brief description of project	Location	Wards affected	Funding approved
1	Enfield Chase restoration	Improvement works are proposed to take place to a public footpath that connects Trent Park to Hillyfields Park. The path will be upgraded from a worn path to a 3m wide cohesive surfaced path. Other supplementary objectives alongside the woodland creation include the delivery of natural flood management features in the rural landscape.	Over a public right of way and permissive path running from Hadley Road to The Ridgeway (around 3km)	Chase Cockfosters Highlands	£200,000
2	Energetik South Street retrofit project	Retrofit existing homes in the Ponders End area (along South Street) concerting the properties from existing gas boilers to a water system and connecting them to the Energetik network.	South Street	Ponders End	£200,000
3	Enjoy Enfield Summer festival	Town centre recovery initiative modelling collaborative, green, sustainable approach to cultural service delivery and supporting creative sector during time of crisis	Main town centres in Enfield (Enfield Town, Southgate, Palmers Green, Angel Edmonton, Edmonton Green)	All	£80,000
4	Oakwood Park wetlands	Provide a series of wetland features within the park to address surface water flood risk issues, provide pathways and social spaces for park goers to make the new areas more usable	Oakwood Park	Southgate and Cockfosters	£120,000
5	Albany Park restoration and flood alleviation scheme	Restoring 350m stretch of the Turkey Brook, creating wetlands features and improving the amenity value of Albany Park	Albany Park	Enfield Lock, Enfield Highway and Turkey Street	£100,000

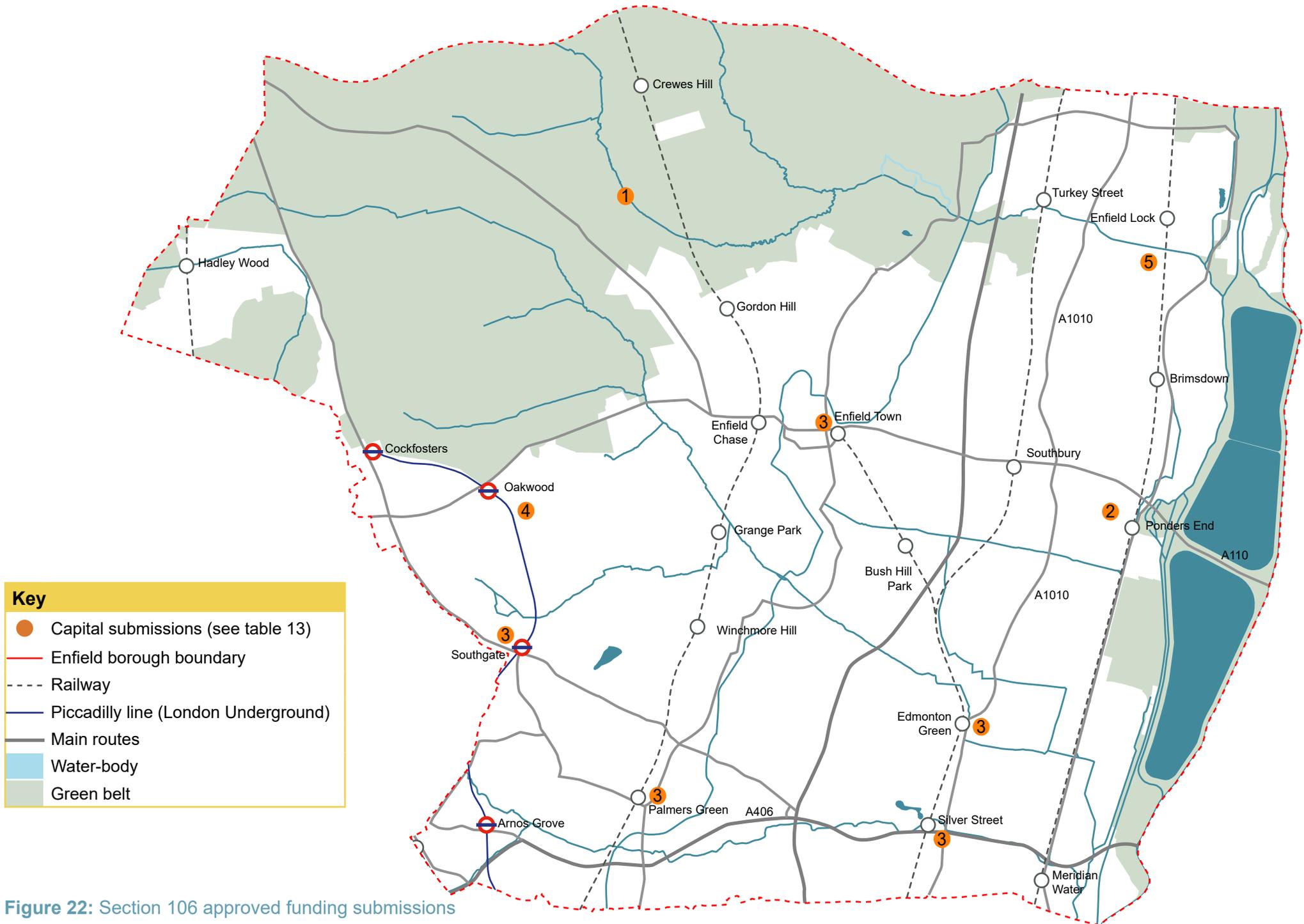


Figure 22: Section 106 approved funding submissions

Housing

4.17 The new London Plan (Greater London Authority, 2021) requires developments to make the maximum reasonable provision towards affordable housing. Affordable housing should be provided on-site in the first instance, although off-site contributions (or an in-lieu payment) will be allowed in exceptional circumstances. The contributions are used to replenish such budgets.

4.18 S106 funds are drawn down and the various contributions are allocated to relevant projects at the end of each financial year (see table 14).

4.19 In 2020/21, over £2.4 million in S106 financial contributions were agreed (see appendix F) to support the delivery of affordable housing within Enfield.

4.20 A total of £410k was received in S106 income (see appendix G) in 2020/21, with £404k drawn down (see appendix M) during the same reporting period to support the delivery of affordable housing across small sites and the new Ladderswood regeneration masterplan.

4.21 S106 affordable housing contributions are planned to be used towards the following schemes over the next reporting period:

- Newstead House & Maldon Road (21 affordable units)
- Bury Street West (25 affordable units)

Table 14: Affordable housing expenditure in 2020/21

Project	£	Total number of affordable units delivered
Small sites phase 1 (various locations)	£307,344	76
Ladderswoods estate, Lower Park Road, N11	£97,232	149
Total	£404,576	225



Figure 23: Bury Street West - affordable housing scheme



Figure 24: Newstead & Maldon - affordable housing scheme

Education

4.22 Education places in Enfield are addressed through the school expansion programme. The programme is entirely funded from central government grants and S106 developer contributions.

4.23 S106 contributions are allocated to projects and funds are drawn down at the end of each financial year in accordance with the schemes identified in the approved school expansion programme in the period up to 2021/22.

4.24 In 2020/21, around £157,000 of S106 funding contributed towards an additional 20 primary autistic spectrum places at the Garfield former KS2 building (see appendix M - as identified in the latest pupil places capacity and delivery strategy).

4.25 Approximately £250,000 of S106 funding will be rolled forward into the 2021/22 schools expansion programme. Updates on the provision of school places for up to 2022/23 are available to view online²⁷.

4.25 In appropriate circumstances, S106 contributions from housing developments, will be used towards special educational needs (SEND) provision over the next financial period (as per the agreed Capital Strategy²⁸) based on the school expansion projects set out in table 15.

Table 15: Planned educational provision in 2021/22		
School	Project	Additional places²⁹
Fern House school	Rebuild and expansion of special school	22 additional places
Winchmore school	Sixth form and autistic unit	150 mainstream & 20 SEND places
Oaktree school	Whole school expansion	41 additional places
Waverley school at Honilands primary school	Refurbish children's centre	21 new places
Russet House at Suffolks school	Autism spectrum disorder (ASD) unit	14 new places
Former Eldon school site	New provision (in development)	To be confirmed



Figure 25: Springfield school (formerly Garfield KS2 building)

Traffic & transportation

4.27 In 2020/2021, over £280,000 of S106 monies were spent on key transport improvements (see table 16) to offset the impact of development on the borough's highways and public transport network³⁰. Key projects included:

- Cycle Enfield (A1010 north and south)
- Lavender Hill pedestrian crossing
- Riverside Walk maintenance
- Chelmsford Road footway improvements
- Chase Side Road waiting restrictions
- Meridian Way footpath link
- Wilmer Way zebra crossing
- Pitfield Way waiting restrictions
- 50 mph Hadley Road signage
- 19 Gilbert Street traffic calming scheme

4.28 S106 monies have been utilised to support the Mayor of London's objectives³¹ to provide improved, better connected and safer active travel options, such as extensions to footpath links and new pedestrian crossing points.

Table 16: S106 allocated balance traffic & transportation		
Planning reference	Project details	Revenue draw-down details
Multiple - pooled	Cycle Enfield A1010 north	£75,186.26
16/01578/FUL	New Avenue highways improvement works	£69,494.68
Multiple - pooled	Cycle Enfield A1010 south	£54,578.30
14/04574/OUT	Lavender Hill pedestrian crossing	£18,340.78
94/0281	Innova Park amelioration works	£17,800.00
99/0560	Riverside Walk maintenance	£16,272.37
Multiple - pooled	Travel plan monitoring	£15,744.00
01/1464	Chelmsford Road footway improvements	£8,639.83
TP/10/1424	Waiting restrictions Chase Side Road	£4,445.95
P12-03055PLA	Footpath link to Meridian Way	£2,858.15
P12-03179PLA	Wilmer Way zebra crossing	£2,518.21
P12-01390PLA	1-3 Pitfield Way waiting restrictions	£1,189.11
TP/10/1800	50mph Hadley Road signage	£1,027.38
P14-00197PLA	109 Station Road - PERS/CERS audit & gateways	£698.47
TP/09/1539	19 Gilbert Street traffic calming scheme	£236.24

Business, employment & skills

4.29 In 2020/21, £10,555 of S106 monies were secured towards training, employment support, job brokerage and work placements from the following development:

Planning application reference	Site address
19/00201/FUL	465-469 Green Lanes, Palmers Green, N13 5UB

Build Enfield

4.30 The Build Enfield programme has been developed to enable Enfield's residents to access jobs and training opportunities being created through developments, particularly with the onset of the Meridian Water development.

4.31 Using match funding with the GLA's European Social Fund, we commissioned a service (known as Build Enfield) to support developers and applicants in the design and delivery of employment and skills strategies in line with the requirements set out in S106 and social value obligations³².

4.32 Since 2018, S106 monies secured from the Alma Estate regeneration project have been utilised to commission a job brokerage service to advertise job, apprenticeship and training opportunities on the Build Enfield website and directly engage residents to these opportunities.

Job and apprenticeship opportunities

4.33 In this reporting year, during the peak of the covid-19 pandemic, all non-essential contact was kept to a minimum to protect staff and the workforce. Consequently, new apprenticeships, work experience placements, mentoring sessions and collaborative working with education institutions were temporarily suspended, which in turn had a detrimental impact on the number of employment, business and skills schemes secured and delivered. We remain committed to working with private sector partners to provide support and advice to fulfil social value ambitions and obligations during this difficult period.

4.34 Table 17 summarises the 'live' development schemes with signed

S106 agreements that include business, employment and skills obligations.

4.35 Discussions between neighbouring boroughs, major housing and infrastructure providers and developers are taking place to ensure that local people have access to high quality employment (including longer-term work placements, with a view to securing higher skilled apprenticeships) and benefit from the opportunities of future growth in the borough and across London in line with best practice.

4.36 As part of the annual review of the implementation of employment, business and skills obligations, the performance of Build Enfield will be monitored to determine whether this is the best platform to maximise S106 opportunities.

Table 17: Jobs and apprenticeship opportunities delivered in 2020/21

Details of development	Jobs by development	Financial year 2020/21			
		Q1	Q2	Q3	Q4
Construction jobs & training places created through section 106 agreements					
Electric Quarter	3	N/A	5	36	44
Metaswitch, Genotin Road	3				
One Mollison Avenue	2				
Gunfire – borough-wide	1				
Montague Road	4				
Totals across listed development	13				
Total across borough	85				
Local residents (as defined within the section 106 supplementary planning document who successfully access the construction jobs & training opportunities)		Q1	Q2	Q3	Q4
Electric Quarter	10	N/A	N/A	103	115
Trent Park	44				
Metaswitch, Genotin Road	1				
North London Heat and Power Plant	33				
Eco Park	12				
Totals across listed development	100				
Total across borough	218				
Jobs created and targeted for 'local' residents		Q1	Q2	Q3	Q4
Trent Park (17 local labour and 6 apprenticeship placements)	25	N/A	0	39	61
Metaswitch Genotin Road (apprenticeship place delivered)	1				
North London Heat and Power Plant (apprenticeship placements delivered)	34				
One Mollison Avenue (recruitment of a social media assistant)	1				
Totals across listed development	61				
Total across borough	100				
Total for year		403			

Enfield's carbon fund

4.37 Developer contributions will be used to both mitigate and adapt to the effects of climate change, and minimise emissions of carbon dioxide arising from development through measures such as using less energy through sustainable design and construction measures, using renewable energy to protecting and enhancing green infrastructure. These measures also include developer contributions to the carbon fund.

4.38 The Greater London Authority's 'zero carbon'³³ policy is applicable to major developments and wherever possible climate change should be addressed through the design of the scheme. In exceptional circumstances where it is not possible to meet the zero-carbon standards on site, a S106 contribution³⁴ will be required and financial contributions will be pooled into a carbon fund and ring-fenced towards the delivery of carbon reduction

projects across the borough and are used towards:

- retrofitting existing housing stock to be more energy efficient;
- communal heating and combined heat and power;
- decentralised energy networks;
- upgrading existing building stock;
- upgrading energy-consuming infrastructure (e.g. providing electric vehicle charging points);
- landscape improvements where carbon benefits can be identified (e.g. tree planting).

4.39 In 2020/21, £270,000 of section 106 monies held under the carbon fund were allocated to the following projects (see table 18):

- Naylor Grove retrofit
- Albany Park wetlands

Table 18: S106 allocated balance carbon fund

Project	£	Scheme description
Naylor Grove retrofit	£200,000	Pilot retrofitting heating systems in existing council owned homes to connect to Energetik's heat network.
Albany Park wetlands	£70,000	Creation of a new wetland within Albany Park re-routing Turkey Brook & improve biodiversity & amenity space.

Naylor Grove retrofit

Energetik's³⁵ delivering heat networks across Enfield, with the objectives of reducing carbon, providing fairly priced energy and ensuring great customer service. Its heat network infrastructure currently serves new build developments; however, it passes significant numbers of existing council housing stock.

This project will test approaches to retrofitting heating systems in existing council-owned homes so that they can connect to Energetik's heat network. The current goal is to retrofit and connect one block of existing flats (up to 12 flats) on Naylor Grove.

Albany Park wetlands

This projects forms part of an on-going programme of initiatives aimed at restoring Enfield's urban rivers (Salmons Brook, Pymmes Brook and Turkey Brook) and re-naturalising the water system across the Lea Town Park wetlands catchment area. These rivers suffer from pollution, mainly from mis-connected plumbing, sewage overflows and pollutants from roads.

The carbon fund will support the delivery of a new wetland within Albany Park which includes extensive works already undertaken to reroute a section of Turkey Brook from a straight concrete channel into a natural meandering river.

Watercourses & sustainable drainage

4.40 Enfield benefits from over 100 kilometres of watercourses - more than any other London borough. These watercourses provide an opportunity to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change.

4.41 The London Borough of Enfield is responsible for the management of local flood risk, including surface water run-off, ground water and flooding from ordinary water courses.

4.42 To achieve this, all development proposals are required to take full account of flood risk, water efficiency and wastewater management and incorporate the necessary mitigation and management

measures appropriate for the location and type of development.

4.43 Developers are required to improve water efficiency and reduce surface water run-off through the use of sustainable urban drainage systems, where this is appropriate. Sustainable urban drainage can provide opportunities to create or improve wildlife habitats, biodiversity and open space, all of which help to alleviate urban heat island effects and contribute to flood storage opportunities.

4.44 S106 financial obligations have been utilised to deliver new wetlands (e.g. Albany Park) and a number of rain gardens, such as Woodland Way and Moore Brook (see table 19).

Table 19: S106 allocations to watercourses in 2020/21

Project	£	Project description
Oakwood Park wetlands	£120,000	Provide a series of wetland features within the park to address surface water flood risk issues, provide pathways & social spaces to make the new areas more usable.
Albany Park	£140,000	Restoring 350m stretch of the Turkey Brook, creating wetlands features & improving amenity value.
Woodland Way	£45,000	Flood alleviation to deliver 6 rain gardens (170m ²) draining a catchment area of 1600m ² .
Moore Brook green link	£50,000	Flood alleviation to deliver 16 rain gardens (350m ²) draining a catchment area of 4400m ² at Deansway, Westerham Avenue, Haselbury Road & Park Lane.



Figure 26: New River Walk

Parks & open spaces

4.45 S106 agreements are used to deliver open space on site (or within an appropriate location within the vicinity of the development). In Enfield, the types of open spaces that can be secured through S106 agreements include:

- public parks;
- playing fields;
- woodlands;
- allotments;
- cemeteries;
- natural or semi-natural urban green space;
- green corridors;
- amenity space; and
- children’s play space.

4.46 Existing open space designations are shown on our interactive Policies Map³⁶.

4.47 The Blue and Green Strategy sets out our standards regarding the provision of parks and open space and identifies the locations where interventions are required through S106 and other sources (e.g. government grants and loans) to address deficiencies across the borough’s blue and green network³⁷.

4.48 S106 monies have been allocated towards the delivery of open space and environmental improvements (as set out in table 20) over the next two financial years.

Table 20: S106 allocated balance to parks and open spaces in 2020/21

Project	£	Project description
Enfield Playing Fields	£35,000	3G pitch
Trent Park playing equipment	£10,239	Play equipment in Trent Park
Tottenham recreation ground	£5413	Provision of benches and bins
Broomfield Park	£28,967.90	Netball refurbishment



Figure 27: Hilly Feilds Park



Section 5

Moore Brook rain gardens

Section 5: Delivery of infrastructure projects

5.1 This section details the key infrastructure projects delivered in 2020/21 through CIL, S106 and other sources of funding in the borough. Please note this is not a comprehensive list of all projects delivered through the capital programme.



Figure 28: Enfield Chase restoration - concept image

CASE STUDY: ENFIELD CHASE RESTORATION

The London Borough of Enfield is working closely with the Mayor of London, Woodland Trust, Department for the Environment, Food & Rural Affairs, Thames21 and Natural England to restore the former Enfield Chase woodland and create over 60 hectares of new publicly accessible woodland (100,000 plus trees) to the north of the borough's main built-up area. It will capture around 234 tonnes of carbon per annum.

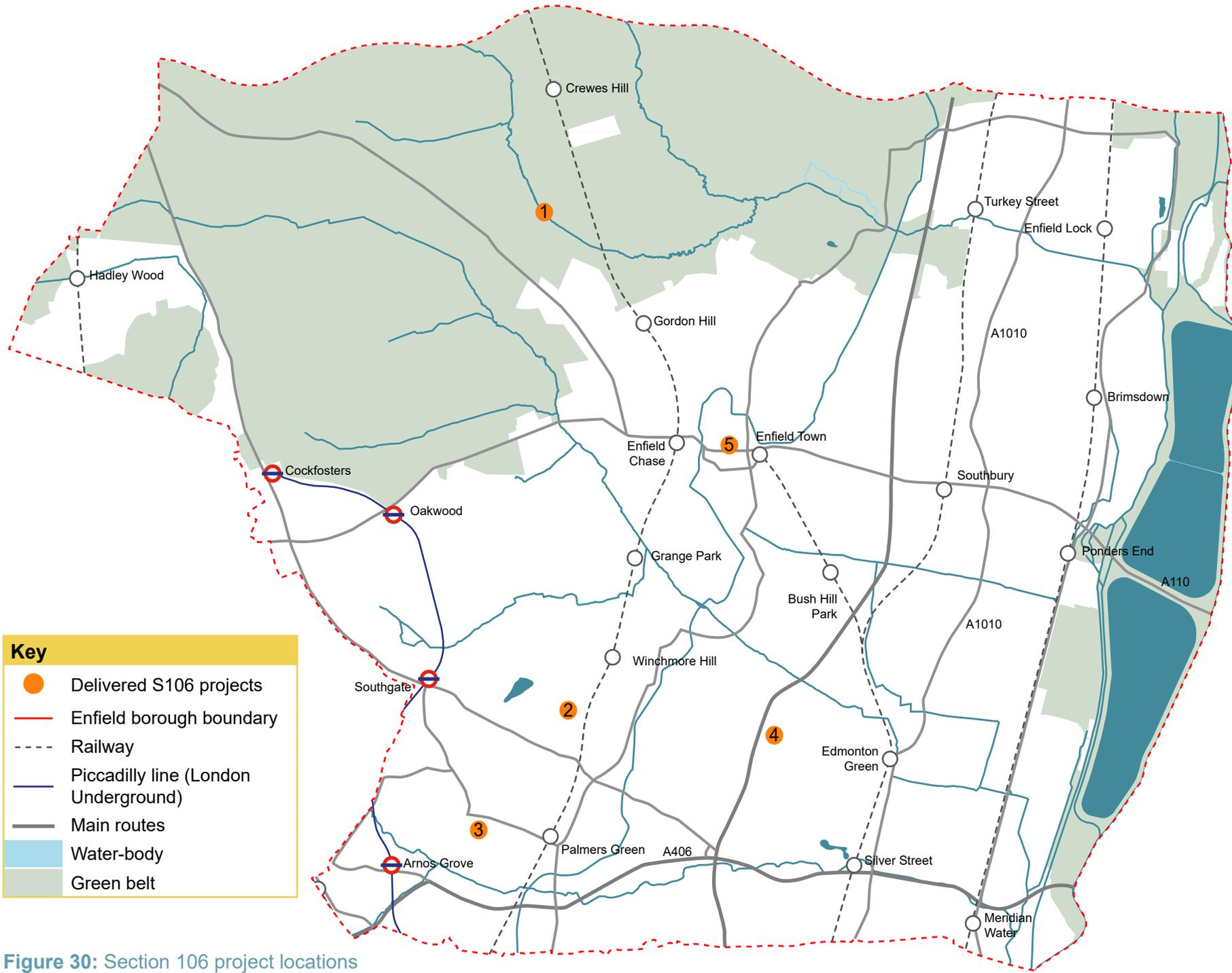
This project will also fund improvements to 3 kilometres of walking and cycling routes to improve public access through the newly created woodland. Much of the new woodland will be focussed along a section of the London Loop footpath (a circular 150km route that extends across the edge of Greater London) from Turkey Brook, north of Chase Farm hospital and heading west along Salmon's Brook and into the north of Trent Park.

£948,000 of capital funding has been secured from the Mayor of London (£748,000) and section 106 monies (£200,000) to improve the quality of the existing footpath.

The footpath has been widened, resurfaced and realigned in places to accommodate more users and providing a focal point of interest, restoring ancient woodlands and joining up sections of existing woodland (see figure 29 overleaf).



Figure 29: Enfield Chase restoration - tree planting underway



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Figure 30: Section 106 project locations

Moore Brook green link	
Programme area	Watercourses
Project	15 rain gardens (phase 2)
Project cost	£230k
Funding source	£140k - London strategic sustainable urban drainage pilot ³⁸ £50k - Capital budget £50k - Section 106 funding
Outcomes	<ul style="list-style-type: none"> • Public realm improvements • Reduce flood risk and pollution • Increase biodiversity • Improve air quality

Woodland Way	
Programme area	Watercourses
Project	6 rain gardens
Project cost	£85k
Funding source	£10k - Renewal and replacement drainage revenue funding £30k - Enfield watercourses capital funding £45k - Section 106 funding
Outcomes	<ul style="list-style-type: none"> • Public realm improvements • Reduce flood risk and pollution • Increase biodiversity • Improve air quality

Broomfield Park courts	
Programme area	Parks and open spaces
Project	Netball court refurbishment
Project cost	£750k
Funding source	£200k - Section 106 funding £100k - Sport England £150K - London Marathon Charitable Trust £250 - Capital budget
Outcomes	<ul style="list-style-type: none"> • Improve access to good quality sport facilities to promote health and fitness

Cycle Enfield	
Programme area	Traffic and transportation
Project	A1010 north
Project cost	£7.5m
Funding source	£130k - Section 106 funding £7.370m - Transport for London
Outcomes	<ul style="list-style-type: none"> • Public realm improvements along Hertford Road from the Nags Head Junction (A10) to Mollison Avenue. • Semi-segregated cycle lanes, • Improvements to pavements and pedestrian crossings • New rain gardens.



Section 6

Market Square, Enfield Town

Section 6: Governance

Overview

6.1 This section details the governance arrangements (see table 21) in place to allocate and spend CIL and S106 funding in the borough towards the delivery of infrastructure and associated community benefits (see table 21 and figure 7 overleaf)³⁹.

6.2 S106/CIL projects will be prioritised in accordance with the objectives of the Council Plan (Creating a Lifetime of Opportunities in Enfield) and adopted Local Plan. Many of these projects will be identified in the emerging Infrastructure Delivery Plan (as explained in paragraph 3.21).

6.3 Where possible, CIL and S106 will be combined with other sources of funding (e.g. highway contributions, government grants and loans, borrowing and capital budget) to help deliver infrastructure projects in the borough.

Enfield community infrastructure levy

6.4 Strategic CIL funds are allocated through the borough's capital programme.

6.5 Each year, the Strategic Planning Board will review the list of proposed strategic CIL projects and submit the recommended allocations to the Executive Management Team (made up of the chief executive, executive directors and chief officers) in advance of Cabinet and Full Council (during November and December of each year).

6.6 Neighbourhood CIL monies (see paragraph 2.26, 3.27 and 3.28) will be allocated at least annually and distributed on a borough-wide basis through the Enfield Neighbourhood Fund⁴⁰.

6.7 An assessment panel will be appointed to review and short-list the project bids through this fund and the final awards will be agreed with the leader of the council and executive directors.

6.8 Details on successful projects from the neighbourhood fund bidding process (including monitoring arrangements and programme of delivery) will be provided in future iterations of the Infrastructure Funding Statement on an annual basis.

S106 agreements

6.9 S106 projects will be agreed through the scheme of delegation (as set out in the council's constitution) and on an annual basis.

6.10 Successful applicants will be expected to maintain communication and dialogue with council representatives and other relevant stakeholders throughout the duration of the project or programme.

6.11 Once the funding has been agreed and drawn down, the project lead will be expected to provide yearly updates on the progress of the project or programme in the light of monitoring targets and agreed outputs.

Table 21: Enfield's governance and decision-making structure			
Tier	What	When	Who
Capital programme	As part of the refresh of the capital budget, specific projects will be identified and approved to meet the spending priorities set out in the Council Plan and other relevant strategies.	Annually	Capital Finance Board
Strategic Planning Board	A director-level group which will approve the allocation of CIL/S106 funding to support the delivery of strategic projects, in consultation with corporate finance	Quarterly	Chair: Executive Director of Place Agendas: Head of Strategic Planning & Design
Infrastructure Delivery Steering Group	An officer-level group to discuss the allocation and distribution of S106 and CIL funds and other sources of funding	Monthly (prior to strategic planning board meetings)	Chair: Infrastructure Delivery Manager

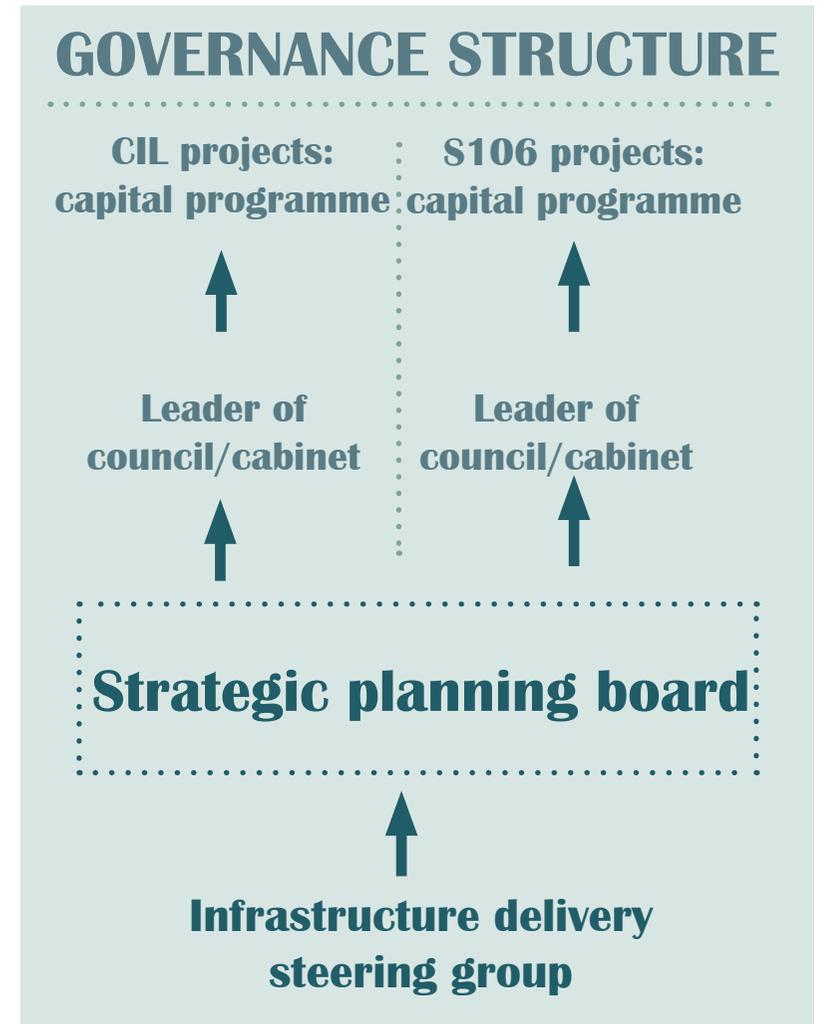


Figure 31: Enfield's decision-making structure



Section 7

Firs Farm wetlands

SECTION 7: GLOSSARY

Allocated Funds: S106/CIL funds which have been assigned to a particular project.

Biodiversity net gain: An integrated approach designed to improve the condition of our natural assets and the ecosystems services that flow from them in the context of development.

Blue-green infrastructure: A catch-all term which refers to natural and semi natural features including fields, woods, rivers, lakes, and gardens that are found between and within our built-up areas. It is an integrated network of multi-functional open spaces and water spaces.

Charitable relief: Exemption to pay CIL on buildings in charitable use (paragraph 43 of the CIL regulations).

Instalment policy: The CIL regulations allow CIL charges to be paid through a series of instalments in certain circumstances (Enfield's instalment policy can be found on its website at <https://new.enfield.gov.uk/services/planning/planning-policy-information-enfield-revised-cil-instalment-policy.pdf>).

Community infrastructure levy: A standard charge on most types of development in the borough that is used to

fund a wide range of infrastructure projects (including open space and public transport improvements) to meet the demands arising from the borough's growth. Exceptions to this charge include schools, health facilities, charitable development, and self-build housing.

Community infrastructure levy – neighbourhood contribution: Councils are required to spend a proportion of the monies received from the levy (currently 15%) to fund local neighbourhood projects.

Community infrastructure levy regulations: This sets out the government's rules on how the levy will be collected, monitored and spent.

Core Strategy: A development plan document which sets out the long-term spatial vision and strategic objectives of the existing adopted Local Plan. It identifies where new development will take place, its type and scale, protects what is valued about the borough and includes a series of policies to deliver the vision and objectives of the Local Plan.

Demand notice: A notice which is issued upon commencement of a CIL liable development in line with the CIL regulations. The demand notice states the

amount to be paid and when it needs to be paid.

Developer contributions: This term refers to planning obligations delivered through section 106 agreements, section 38 agreements, and section 278 agreements, as well as income collected from developments through the community infrastructure levy (CIL).

These tools are used to secure financial and non-financial contributions (including affordable housing and employment, business, and skills provision) or other works to provide infrastructure to support and mitigate the impact of development. However, developments cannot be double charged (section 106 and CIL) to fund the same item of infrastructure.

Enfield Neighbourhood Fund: This fund has been secured through the neighbourhood portion of Enfield's community infrastructure levy and will allow local communities to get involved in the future development of their neighbourhood and deliver local projects that will improve the day-to-day life of Enfield's residents.

Exemptions and relief: Exemption from liability to pay CIL on qualifying developments meeting certain conditions

(paragraph 42 to 58 of the CIL regulations).

Greater London Authority (GLA): A top-tier administrative body covering the Greater London area. It is composed of two parts: the London Assembly and the Mayor of London as defined under legislation. The London Assembly scrutinises the activities of the Mayor of London in the public interest.

Infrastructure: A term used to describe the facilities and services necessary for local people to live their everyday lives. Infrastructure can take many forms; it can be defined in physical, green, and social terms, and can range from strategic provision (such as a new road, hospital or school) to the creation of a local play-space.

Infrastructure Delivery Plan: This sets out what infrastructure is required to support the levels of growth set out in the Local Plan, how it will be funded, who will deliver it, and when it will come forward.

Liability notice: A liability notice is issued once a CIL liable development has been granted planning permission. It states the amount of CIL liability and how this liability was calculated.

Liable floorspace: The floorspace of a development which will incur a CIL charge.

Local Plan: A legal document which sets out a series of policies and proposals to guide future decisions on planning applications and investment opportunities across an area.

London Plan: The London Plan is the spatial development strategy covering the Greater London area. In London, Local Plans must be in general conformity with the London Plan.

National Planning Policy Framework (NPPF): This document sets out the government's planning policies and how these will be applied in England and Wales.

Neighbourhood plans: These are formal planning documents that local communities can prepare to guide the future development of their areas. Hadley Wood has been established as a neighbourhood area and a forum of community representatives are working together to prepare a neighbourhood plan to shape the future of the area. However, the neighbourhood plan will need to be subject to independent examination and a local referendum before it can be formally adopted.

Permissive paths: Paths over which the public do not have a right of way but over which permission has been given to the public to use them.

Public realm: The space between and surrounding buildings and open spaces that are accessible to the public and include streets, pedestrianised areas, squares, river frontages etc.

Residential extension/annex relief: Exemption to pay CIL on self-build residential extensions or annexes (paragraph 42A of the CIL regulations).

Self-build housing relief: Exemption to pay CIL on self-build residential dwellings (paragraph 54A of the CIL regulations).

Social housing relief: Exemption to pay CIL on affordable housing (paragraph 49 of the CIL regulations).

Surcharges: The CIL regulations require a series of surcharges to be applied when the CIL procedures have not been correctly followed.

Section 106 agreements: These are legally binding agreements negotiated between local authorities, developers and landowners through the planning application process. The agreement will contain a planning obligation to enable us to secure, or the developer to offer, restrictions on the use of the land or the operation of the development or to make contributions towards infrastructure and facilities (e.g. affordable housing).

Financial contributions are usually payable on the commencement of the proposed development following the granting of planning permission. In certain circumstances, developers will be able to request staged payments or instalments (e.g. large, multi-phased developments).

Social infrastructure: A wide variety of services that are essential to the sustainability and well-being of an area. This includes educational facilities, health services, sports and leisure facilities, libraries, jobs brokerage centres, community space and faith facilities, cultural facilities and meeting rooms, halls and pubs.

Supplementary Planning Document (SPD): A document which helps explain how policies and proposals in the Local Plan will be applied and implemented.

Sustainable drainage systems: A sequence of water-management practices and facilities designed to drain surface water and protect against flooding. Examples include ponds, reed beds, drainage channels, soakaways, swales and porous driveways.

Town centres: Areas defined through the Local Plan providing a range of commercial, cultural, and civic activities,

including shopping, leisure, entertainment, culture and social and community facilities.

Transport for London (TfL): A statutory body accountable to the Mayor of London, with responsibility to deliver safe, integrated, efficient and economic transport facilities and services to, from and within London.

Unallocated Funds: Funds that have not been assigned to a specific project. In the case of S106 obligations, funds are ring-fenced to a particular wider theme (such as traffic and transportation, affordable housing etc.). Funds are allocated when a project comes forward in line with the S106 legal agreement associated with the funds. In the case of CIL receipts, these are unallocated and require a project for allocation.

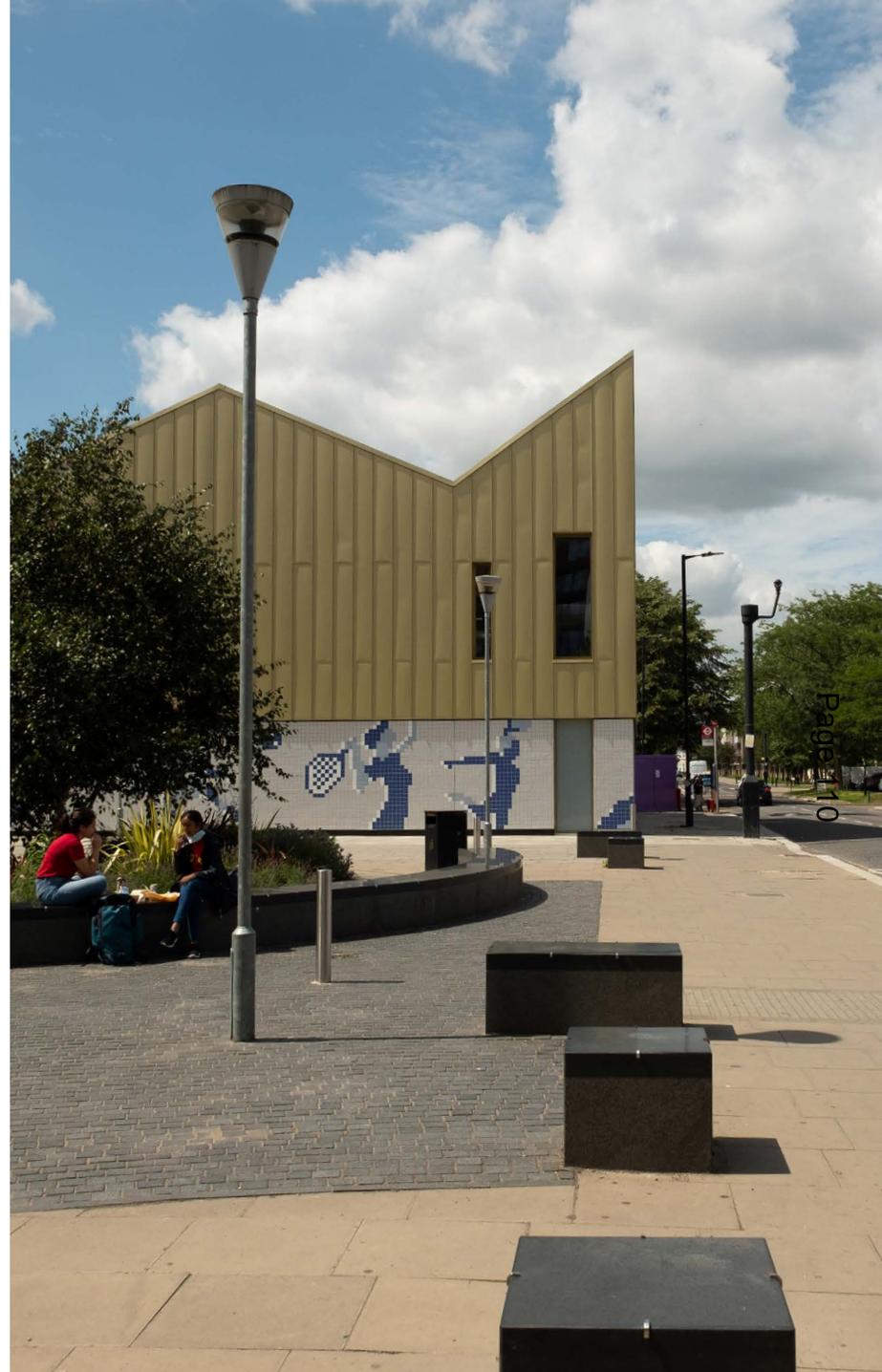


Figure 31: Alma estate regeneration

The London Borough of Enfield is committed to working with the local community and other stakeholders (including infrastructure providers and statutory bodies) to ensure that planning contributions (CIL and S106) are used in a fair and transparent way to maximise the benefits and opportunities arising from development, such as new affordable homes, community infrastructure, jobs and environmental improvements.

If you have any further queries or comments about this statement, please do not hesitate to contact us via email (S106@enfield.gov.uk/CIL@enfield.gov.uk) or phone (020 8379 1000).



Section 8

Alma Road – estate regeneration

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Appendix A: CIL schedule

Number	Reference	CIL description	Amounts
1	a	the total value of CIL set out in all demand notices issued in the reported year;	£2,270,930
2	b	the total amount of CIL receipts for the reported year;	£1,634,146
3	c	the total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year but which have not been allocated;	£3,232,027
4	d	the total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year and which have been allocated in the reported year;	£0
5	e	the total amount of CIL expenditure for the reported year;	£81,707
6	f	the total amount of CIL receipts, whenever collected, which were allocated but not spent during the reported year;	£0
7	g	in relation to CIL expenditure for the reported year, summary details of—	
8	g i	the items of infrastructure on which CIL (including land payments) has been spent, and the amount of CIL spent on each item;	£0
9	g ii	the amount of CIL spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part);	N/A
10	g iii	the amount of CIL spent on administrative expenses pursuant to regulation 61	£81,707
10	g iii	the above amount expressed as a percentage of CIL collected in that year in accordance with that regulation;	5%
11	h	in relation to CIL receipts, whenever collected, which were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL (including land payments) has been allocated, and the amount of CIL allocated to each item;	£0
12	i	the amount of CIL passed to—	
13	I i	any parish council under regulation 59A or 59B; and	N/A
14	I ii	any person under regulation 59(4);	N/A

15	j	summary details of the receipt and expenditure of CIL to which regulation 59E or 59F (NCIL) applied during the reported year including—	
16	j i	the total CIL receipts that regulations 59E and 59F applied to;	£245,122
17	j ii	the items of infrastructure to which the CIL receipts to which regulations 59E and 59F applied have been allocated or spent, and the amount of expenditure allocated or spent on each item;	£0
18	k	summary details of any notices served in accordance with regulation 59E, including—	
19	k i	the total value of CIL receipts requested from each parish council;	N/A
20	k ii	any funds not yet recovered from each parish council at the end of the reported year;	N/A
21	l	the total amount of—	
22	l i	CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E or 59F applied;	£1,307,317
23	l ii	CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied;	£1,823,771
24	l iii	CIL receipts for the reported year to which regulation 59E or 59F applied retained at the end of the reported year;	£245,122
25	l iv	CIL receipts from previous years to which regulation 59E or 59F applied retained at the end of the reported year.	£1,408,256

Appendix B: CIL demand notices issued in 2020/21

Planning reference	Site address	Demand notice date	Demand amount	Total receipts	Total outstanding
15/04471/FUL	Land adjacent, 62 Old Park View, EN2 7EH	19/03/2021	£23,757	£23,757	£0
15/05368/FUL	12 Eastbournia Avenue, N9 0RX	06/05/2020	£802	£802	£0
16/04184/RE4	19 Maldon Road, N9 9QW	26/01/2021	£25,241	£25,241	£0
16/04185/RE4	Garages adjacent to 43,47-53 and rear of 17-32, Gatward Green, N9 9AW	22/01/2021	£16,774	£16,774	£0
17/00300/FUL	415 Alma Road, EN3 7RS	16/07/2020	£3,616	£3,616	£0
17/00549/FUL	1-64 Hansart Way, EN2 8NB	18/02/2021	£28,191	£0	£28,191
17/01384/FUL	44 Compton Road, N21 3NX	22/10/2020	£3,319	£3,319	£0
17/01587/FUL	Alder Lodge, 292 Bury Street West, N9 9LL	19/06/2020	£30,512	£30,512	£0
17/02072/FUL	Garages adjacent To Wansbeck Court , Waverley Road, Enfield, EN2 7BS	08/03/2021	£29,804	£0	£29,804
17/02775/FUL	Comfort Hotel, 52 Rowantree Road, EN2 8PW	17/02/2021	£86,319	£86,319	£0
17/03044/FUL	23 Camlet Way, EN4 0LH	30/07/2020	£203,636	£203,636	£0
17/03111/FUL	Land to rear of 57 -59 Linden Way, N14 4NG	23/11/2020	£14,541	£14,541	£0
17/03802/FUL	2 Ashton Road, EN3 6DQ	24/02/2021	£3,170	£0	£3,170
17/03825/FUL	Land adjacent to 2 Donkey Lane, EN1 3PL	08/04/2020	£5,599	£5,599	£0
17/04956/FUL	75 Palmerston Road, N22 8QT	16/06/2020	£11,446	£11,446	£0
17/05414/FUL	55A Cheyne Walk, N21 1DD	03/03/2021	£14,632	£14,632	£0
18/00238/FUL	Land opposite Sunbridge nursing home, 108 Hickory Close, N9 7PZ	01/05/2020	£5,331	£5,331	£0
18/00589/FUL	1 Lytton Avenue, EN3 6EL	27/05/2020	£5,156	£5,156	£0
18/00665/FUL	1 Farmleigh, N14 5QJ	10/12/2020	£11,294	£11,294	£0
18/01276/CND	Former Middlesex University Trent Park Campus, Trent Country Park, EN4 0PS	23/06/2020	£649,947	£649,947	£0
18/01378/FUL	Parking adjacent to Tiptree Drive, EN2 6TY	19/03/2021	£6,685	£6,685	£0
18/01539/FUL	70A and 72 The Ridgeway, EN2 8JB	10/09/2020	£74,018	£74,018	£0
18/02451/NMA	413 Green Lanes, N13 4JD	25/06/2020	£6,467	£6,467	£0
18/03608/FUL	1 and 2 North Lodge Cottages, The Ridgeway, EN6 5QU	22/07/2020	£9,538	£9,538	£0

18/03845/FUL	20, 22, 24 and 26 Drapers Road, EN2 8LU	23/02/2021	£50,775	£50,775	£0
18/03991/FUL	34 John Gooch Drive, EN2 8HG	17/12/2020	£1,224	£1,224	£0
18/04164/FUL	80 Brimsdown Avenue, EN3 5ER	27/05/2020	£5,091	£5,091	£0
18/04864/FUL	Cemetery House, Church Street, N9 9HP	13/11/2020	£8,867	£8,867	£0
19/00646/FUL	19 Nursery Gardens, EN3 5NG	19/01/2021	£1,310	£1,310	£0
19/01400/FUL	Land Rear of 74 Broad Walk, N21 3BX	26/02/2021	£65,236	£65,236	£0
19/01716/FUL	419-421 Hertford Road, EN3 5PT	21/07/2020	£8,931	£8,931	£0
19/02143/FUL	11 Hadley Road, EN2 8JT	15/07/2020	£31,323	£31,323	£0
19/02276/FUL	Oakwood Methodist Church, Westpole Avenue, EN4 0BD	13/10/2020	£576,230	£576,230	£0
19/02954/FUL	3 Uplands Park Road, EN2 7PU	21/01/2021	£100,359	£100,359	£0
19/02968/FUL	124 Huxley Road, N18 1LJ	26/01/2021	£274	£274	£0
19/03360/FUL	427-429 Hertford Road, EN3 5PT	19/11/2020	£20,882	£20,882	£0
19/03444/FUL	97 - 99 Bullsmoor Lane, EN3 6TQ	16/12/2020	£4,109	£4,109	£0
19/03627/FUL	Rose Cottage, Winchmore Hill Road, N21 1QA	17/09/2020	£3,259	£3,259	£0
19/03693/FUL	Land adjoining 39 Tewkesbury Terrace, N11 2LT	11/01/2021	£4,341	£4,341	£0
19/03748/FUL	The Goat, 250 High Street, EN3 4HB	29/01/2021	£38,032	£38,032	£0
19/04273/VAR	Woodcroft Sports Ground, Woodcroft, N21 3QP	12/03/2021	£5,196	£5,196	£0
20/00288/FUL	19 Clydesdale, EN3 4RJ	11/03/2021	£1,118	£1,118	£0
20/00379/FUL	1 Raynton Road, EN3 6BP	04/03/2021	£23,194	£0	£23,194
20/00424/FUL	62 South Eastern Avenue, N9 9LR	08/03/2021	£771	£771	£0
20/00768/FUL	99 Morton Way, N14 7AN	23/11/2020	£13,938	£13,938	£0
20/00782/FUL	46 Northumberland Avenue, EN1 4HF	26/06/2020	£1,921	£1,921	£0
20/00870/FUL	10 Oaklands, N21 3DD	19/01/2021	£11,026	£11,026	£0
20/00885/FUL	612 Hertford Road, EN3 5TA	08/03/2021	£1,985	£1,985	£0
20/01156/FUL	Land adjacent to 45 Bridgenhall Road, EN1 4AZ	19/02/2021	£18,120	£18,120	£0
20/02152/VAR	19 Woodpecker Close, N9 7ND	25/01/2021	£3,624	£3,624	£0
Totals			£2,270,930	£2,186,571	£84,359

Appendix C: CIL income in 2020/21

Planning reference	Site address	Date received	Ward	LBE amount	TFL amount	Total amount
18/04439/FUL	50A Firs Lane, N21 3HX	11/05/2020	Bush Hill Park	£14,160.88	£2,899.91	£17,060.79
15/05368/FUL	12 Eastbournia Avenue, N9 0RX	03/06/2020	Lower Edmonton	£801.71	£492.53	£1,294.24
18/04892/FUL	56B-56C Tenniswood Road, EN1 3LJ	15/06/2020	Town	£3,771.90	£3,199.69	£6,971.59
18/00238/FUL	Land Opposite Sunbridge nursing home, 108 Hickory Close, N9 7PZ	19/06/2020	Jubilee	£929.17	£570.83	£1,500.00
17/01587/FUL	292 Bury Street West, N9 9LL	26/06/2020	Bush Hill Park	£30,511.58	£6,248.26	£36,759.84
18/02451/NMA	413 Green Lanes, N13 4JD	02/07/2020	Palmers Green	£6,466.86	£1,324.30	£7,791.16
17/03825/FUL	Land Adjacent to 2 Donkey Lane, EN1 3PL	02/07/2020	Southbury	£5,598.83	£3,439.64	£9,038.47
20/00322/FUL	42 Queensway, EN3 4SA	08/07/2020	Ponders End	£0.00	£5,027.89	£5,027.89
19/02954/FUL	3 Uplands Park Road, EN2 7PU	14/07/2020	Highlands	£50,179.27	£21,283.47	£71,462.74
15/02026/FUL	18 and 20 Bush Hill Cottage, Bush Hill, N21 2BX	16/07/2020	Grange	£242,245.98	£49,607.92	£291,853.90
17/04956/FUL	75 Palmerston Road, N22 8QT	16/07/2020	Bowes	£11,446.20	£4,687.98	£16,134.18
17/00300/FUL	415 Alma Road, EN3 7RS	23/07/2020	Enfield Highway	£3,615.77	£2,221.35	£5,837.12
19/01716/FUL	419-421 Hertford Road, EN3 5PT	29/07/2020	Enfield Highway	£8,931.09	£11,364.33	£20,295.42
16/03581/FUL	Land rear of 36-38 Friern Barnet Road, N11 1NA	29/07/2020	Southgate Green	£21,008.10	£8,604.22	£29,612.32
18/04164/FUL	80 Brimsdown Avenue, EN3 5ER	30/07/2020	Enfield Highway	£1,238.89	£761.11	£2,000.00
17/01864/FUL	794 Green Lanes, N21 2SH	02/08/2020	Bush Hill Park	£260,903.65	£110,661.92	£371,565.57
18/03608/FUL	1 and 2 North Lodge Cottages, The Ridgeway, EN6 5QU	03/08/2020	Chase	£9,537.90	£4,045.49	£13,583.39
18/00589/FUL	1 Lytton Avenue, EN3 6EL	04/08/2020	Enfield Lock	£5,155.62	£3,167.35	£8,322.97
20/00782/FUL	46 Northumberland Avenue, EN1 4HF	18/08/2020	Turkey Street	£1,921.11	£2,349.93	£4,271.04
18/00238/FUL	Land opposite Sunbridge nursing home, 108 Hickory Close, N9 7PZ	03/09/2020	Jubilee	£1,858.33	£1,141.67	£3,000.00
19/02143/FUL	11 Hadley Road, EN2 8JT	18/09/2020	Highlands	£9,328.80	£3,956.80	£13,285.60
19/03008/FUL	110 Bush Hill, N21 2BS	21/09/2020	Grange	£121,445.61	£51,510.98	£172,956.59

19/02954/FUL	3 Uplands Park Road, EN2 7PU	08/10/2020	Highlands	£50,179.27	£21,283.47	£71,462.74
19/03627/FUL	Rose Cottage, Winchmore Hill Road, N21 1QA	14/10/2020	Southgate	£3,259.45	£1,329.00	£4,588.45
18/04164/FUL	80 Brimsdown Avenue, EN3 5ER	26/10/2020	Enfield Highway	£1,238.89	£761.11	£2,000.00
19/00646/FUL	19 Nursery Gardens, EN3 5NG	27/10/2020	Enfield Highway	£1,263.94	£1,608.30	£2,872.24
19/02276/FUL	Oakwood Methodist Church, Westpole Avenue, EN4 0BD	28/10/2020	Cockfosters	£288,114.97	£117,475.44	£405,590.41
17/03044/FUL	23 Camlet Way, EN4 0LH	30/10/2020	Cockfosters	£101,817.81	£20,850.59	£122,668.40
18/00238/FUL	Land Opposite, Sunbridge nursing home, 108 Hickory Close, N9 7PZ	09/11/2020	Jubilee	£929.17	£570.83	£1,500.00
17/01384/FUL	44 Compton Road, N21 3NX	10/11/2020	Winchmore Hill	£3,319.27	£679.73	£3,999.00
17/05414/FUL	55A Cheyne Walk, N21 1DD	13/11/2020	Grange	£14,620.73	£2,994.08	£17,614.81
18/01539/FUL	70A And 72 The Ridgeway, EN2 8JB	13/11/2020	Highlands	£37,009.05	£15,697.34	£52,706.39
18/04864/FUL	Cemetery House, Church Street, N9 9HP	16/11/2020	Bush Hill Park	£8,867.04	£3,615.43	£12,482.47
17/03111/FUL	Land to rear of 57 -59 Linden Way, N14 4NG	19/11/2020	Southgate	£13,832.41	£2,832.65	£16,665.06
19/01400/FUL	Land to rear of 74 Broad Walk, N21 3BX	23/11/2020	Winchmore Hill	£64,747.45	£26,400.00	£91,147.45
19/02143/FUL	11 Hadley Road, EN2 8JT	24/11/2020	Highlands	£7,021.74	£2,978.26	£10,000.00
17/03111/FUL	Land to rear of 57 -59 Linden Way, N14 4NG	03/12/2020	Southgate	£708.90	£145.17	£854.07
18/00665/FUL	1 Farmleigh, N14 5QJ	04/12/2020	Southgate	£10,529.74	£2,156.31	£12,686.05
18/00665/FUL	1 Farmleigh, N14 5QJ	10/12/2020	Southgate	£764.59	£156.57	£921.16
18/03991/FUL	34 John Gooch Drive, EN2 8HG	15/12/2020	Highlands	£1,173.13	£480.48	£1,653.61
19/03444/FUL	97 - 99 Bullsmoor Lane, EN3 6TQ	15/12/2020	Turkey Street	£4,109.34	£5,071.89	£9,181.23
20/00870/FUL	10 Oaklands, N21 3DD	22/12/2020	Winchmore Hill	£11,003.65	£4,486.61	£15,490.26
18/03030/FUL	321 Chase Road and 2-14 Chase Side, N14 6JT	29/12/2020	Southgate	£0.00	£33,360.00	£33,360.00
18/03991/FUL	34 John Gooch Drive, EN2 8HG	01/01/2021	Highlands	£50.38	£20.64	£71.02
20/00424/FUL	62 South Eastern Avenue, N9 9LR	11/01/2021	Edmonton Green	£770.39	£942.36	£1,712.75
19/03693/FUL	Land adjoining 39 Tewkesbury Terrace, N11 2LT	02/02/2021	Bowes	£4,341.02	£3,682.48	£8,023.50

18/00238/FUL	Land opposite Sunbridge nursing home, 108 Hickory Close, N9 7PZ	04/02/2021	Jubilee	£929.17	£570.83	£1,500.00
16/04184/RE4	Maldon Road car park and Newstead House, 19 Maldon Road, N9 9QW	04/02/2021	Edmonton Green	£25,240.58	£15,506.55	£40,747.13
16/04185/RE4	Garages adjacent to 43,47-53 and rear of 17-32, Gatward Green, N9 9AW	04/02/2021	Haselbury	£16,774.31	£10,305.29	£27,079.60
19/02968/FUL	124 Huxley Road, N18 1LJ	09/02/2021	Haselbury	£273.78	£336.00	£609.78
17/03925/FUL	Bridge House , Forty Hill, EN2 9HT	11/02/2021	Town	£0.00	£69,410.85	£69,410.85
19/02143/FUL	11 Hadley Road, EN2 8JT	16/02/2021	Highlands	£14,972.44	£6,350.54	£21,322.98
19/02045/FUL	72 Kingsfield Drive, EN3 6UB	25/02/2021	Turkey Street	£512.38	£651.98	£1,164.36
14/04711/FUL	22 Mansfield Close, N9 7LU	01/03/2021	Jubilee	£0.00	£2,401.88	£2,401.88
19/00646/FUL	19 Nursery Gardens, EN3 5NG	02/03/2021	Enfield Highway	£45.94	£58.45	£104.39
18/01952/FUL	120 Cockfosters Road, EN4 0DZ	02/03/2021	Cockfosters	£46,388.32	£9,499.55	£55,887.87
18/00238/FUL	Land Opposite Sunbridge nursing home, 108 Hickory Close, N9 7PZ	02/03/2021	Jubilee	£684.80	£420.70	£1,105.50
20/00768/FUL	99 Morton Way, N14 7AN	03/03/2021	Southgate Green	£13,937.96	£5,683.04	£19,621.00
19/03360/FUL	427-429 Hertford Road, EN3 5PT	06/03/2021	Enfield Highway	£20,882.48	£25,543.75	£46,426.23
17/05414/FUL	55A Cheyne Walk, N21 1DD	08/03/2021	Grange	£11.45	£2.35	£13.80
20/00870/FUL	10 Oaklands, N21 3DD	08/03/2021	Winchmore Hill	£21.95	£8.95	£30.90
19/03748/FUL	The Goat , 250 High Street, EN3 4HB	09/03/2021	Ponders End	£38,032.12	£46,521.43	£84,553.55
17/03925/FUL	Bridge House, Forty Hill, EN2 9HT	09/03/2021	Town	£0.00	£2,285.33	£2,285.33
20/00424/FUL	62 South Eastern Avenue, N9 9LR	10/03/2021	Edmonton Green	£0.72	£0.87	£1.59
20/00288/FUL	19 Clydesdale, EN3 4RJ	11/03/2021	Ponders End	£1,118.10	£1,367.68	£2,485.78
18/04164/FUL	80 Brimsdown Avenue, EN3 5ER	12/03/2021	Enfield Highway	£2,612.73	£1,605.13	£4,217.86
20/02152/VAR	19 Woodpecker Close, N9 7ND	18/03/2021	Jubilee	£3,624.09	£2,226.46	£5,850.55

17/00260/FUL	792 Green Lanes, N21 2SH	19/03/2021	Bush Hill Park	£5,367.89	£1,132.11	£6,500.00
20/00885/FUL	612 Hertford Road, EN3 5TA	23/03/2021	Turkey Street	£1,985.19	£2,436.36	£4,421.55
14/03711/FUL	27 Commercial Road, N18 1TP	25/03/2021	Upper Edmonton	£0.00	£2,368.57	£2,368.57
				£1,634,145.98	£774,840.96	£2,408,986.94
			Strategic CIL (80%)	£1,307,316.78		
			Neighbourhood CIL (15%)	£245,121.90		
			LBE Admin (5%)	£81,707.30		
			MCIL Admin (4%)		£30,993.64	
			MCIL (96%)		£743,847.32	
			Total	£1,634,145.98	£774,840.96	£2,408,986.94

Appendix D: CIL spend 2020/21

CIL allocations and spend	Pre-20-21	20-21	20-21 balance
Strategic CIL allocated	£5,686,930	£0	£5,686,930
Strategic CIL not allocated	£1,823,771	£1,307,317	£3,131,087
Strategic CIL allocated spent	£5,686,930	£0	£5,686,930
Strategic CIL allocated not spent	£0	£0	£0
Neighbourhood CIL allocated	£0	£0	£0
Neighbourhood CIL not allocated	£1,408,256	£245,122	£1,653,378
Neighbourhood CIL allocated spent	£0	£0	£0
Neighbourhood CIL allocated not spent	£0	£0	£0
LBE admin allocated	£469,419	£81,707	£551,126
LBE admin not allocated	£0	£0	£0
LBE admin allocated spent	£469,419	£81,707	£551,126
LBE admin allocated not spent	£0	£0	£0
Total CIL allocated	£6,156,348	£81,707	£6,238,056
Total CIL not allocated	£3,232,027	£1,552,439	£4,784,466
Total CIL allocated spent	£6,156,348	£81,707	£6,238,056
Total CIL allocated not spent	£0	£0	£0
MCIL admin allocated	£316,927	£30,994	£347,921
MCIL admin not allocated	£0	£0	£0
MCIL admin allocated spent	£316,927	£30,994	£347,921
MCIL admin allocated not spent	£0	£0	£0

Appendix E: Section 106 obligation collection and spend figures in 2020/21 (as per community infrastructure levy regulations [as amended in 2019] regulation 121A, schedule 2, section 3)

Number	Reference	S106 description	Amounts
1	a	the total amount of money to be provided under any planning obligations which were entered into during the reported year;	£2,826,051
2	b	the total amount of money under any planning obligations which was received during the reported year;	£2,209,640
3	c	the total amount of money under any planning obligations which was received before the reported year which has not been allocated by the authority;	£2,473,043
4	d	summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year, including details of—	n/a
5	d i	in relation to affordable housing, the total number of units which will be provided;	n/a
6	d ii	in relation to educational facilities, the number of school places for pupils which will be provided, and the category of school at which they will be provided;	see appendix K
7	e	the total amount of money (received under any planning obligations) which was allocated but not spent during the reported year for funding infrastructure;	£2,027,484
8	f	the total amount of money (received under any planning obligations) which was spent by the authority (including transferring it to another person to spend);	£1,078,097
9	g	in relation to money (received under planning obligations) which was allocated by the authority but not spent during the reported year, summary details of the items of infrastructure on which the money has been allocated, and the amount of money allocated to each item;	£2,027,484
10	h	in relation to money (received under planning obligations) which was spent by the authority during the reported year (including transferring it to another person to spend), summary details of—	n/a

11	h i	the items of infrastructure on which that money (received under planning obligations) was spent, and the amount spent on each item;	n/a
12	h ii	the amount of money (received under planning obligations) spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part);	£0
13	h iii	the amount of money (received under planning obligations) spent in respect of monitoring (including reporting under regulation 121A) in relation to the delivery of planning obligations;	£16,003
14	i	the total amount of money (received under any planning obligations) during any year which was retained at the end of the reported year, and where any of the retained money has been allocated for the purposes of longer term maintenance ("commuted sums"), also identify separately the total amount of commuted sums held.	£4,460,344

Appendix F: S106 signed financials in 2020/21

Planning reference	Site Address	Affordable housing	Education	Transport	Carbon offsetting	Business, employment & skills	Monitoring fee	Date of agreement
19/00201/FUL	465-469 Green Lanes, N13 5UB	£63,970		£15,000		£10,555	£4,476	12/08/2020
19/02276/FUL	Land to the north side of Westpole Avenue, EN4 0BD	£1,931,680					£96,584	18/08/2020
19/01285/FUL	699 Green Lanes, N21 3RS		£45,630	£10,000			£3,832	31/07/2020
19/03036/FUL	Land at 230-240 Montagu Road, N18 2NN			£22,500			£2,400	09/11/2020
19/03493/FUL	Land on the south east side of Wilford Close, EN2 6AJ			£10,000			£700	10/12/2020
18/04517/FUL	4 Advent Way, N18 3AG			£5,500				30/12/2020
19/04103/FUL	Bell Lane Playing Fields, EN3 5EG			£37,025			£1,600	04/01/2021
18/03659/FUL	1a Oakthorpe Road, N13 5HY						£350	27/01/2021
20/00353/FUL	397 Cockfosters Road, EN4 0JS	£450,750					£22,538	19/02/2021
19/01044/FUL	79 Windmill Hill, EN2 7AF			£70,000	£8,820		£7,241	23/02/2021
20/01311/NMA	35-36 North Square and North Mall Edmonton Green Shopping Centre, N9 0SN						£350	18/02/2021
19/01614/FUL	51 The Bourne, N14 6EX						£350	15/01/2020
19/01779/FUL	Car Park, 27 Tudor Way, N14 6PS						£350	25/06/2020
19/04114/FUL	Land lying to the west of Eaton Road and east of 80 Beresford Gardens, EN1 1NP						£350	17/07/2020
18/02171/VAR	109 Station Road, N11 1QH						£350	27/07/2020
19/01285/FUL	699 Green Lanes, N21 3RS						£350	31/07/2020

20/0494/VAR	321 Chase Road (South Point House) and 2-14 Chase Side, N14 6JT						£350	05/08/2020
20/03374/PRJ	1 Chase Side Place, EN2 6QA						£350	17/03/2021
20/00615/FUL	15 Church Street, EN2 6AF						£350	10/12/2020
19/03493/FUL	Land on the south east side of Wilford Close EN2 6AJ						£350	10/12/2020
19/03564/FUL	2 Tudor Crescent, EN2 0TU						£350	18/12/2020
20/03903/PRJ	Ross House, Shirley Road, EN2 6SB						£350	28/01/2021
20/04050/PRAA	Ross House, Shirley Road, EN2 6SB						£350	10/02/2021
16/05682/FUL	Robbin Hall, Gardiner Close, EN3 4LP						£350	10/03/2021
Subtotals		£2,446,400	£45,630	£170,025	£8,820	£10,555	£144,621	
Total		£2,826,051						

Appendix G: S106 income in 2020/21

Planning application reference	Address	Type of contribution	Service area	Amount	Invoice date
17/00459/FUL	383 Cockfosters Road, EN4 0JS	Affordable housing contribution	Affordable housing	£245,231	09/03/2020
16/01782/FUL	70A & 72 The Ridgeway, EN2 8JB	Affordable housing contribution	Affordable housing	£165,633	17/08/2020
17/03925/FUL	Bridge House 1 Forty Hill, EN2 9HT	Carbon fund	Environment	£20,614	18/02/2021
P12-02202PLA	Ladderswood Estate, N11 1SB	Childcare contribution	Education	£52,081	04/09/2020
P12-02202PLA	Ladderswood Estate, N11 1SB	Education contribution	Education	£601,825	04/09/2020
17/00459/FUL	383 Cockfosters Road, EN4 0JS	Education contribution	Education	£35,298	09/03/2020
16/04184/RE4	19 Maldon Road car park, Newstead House, N9 9QW	Education contribution	Education	£24,151	26/03/2020
15/02040/FUL	Kestrel House, 15 - 29A & 31 - 45A Alma Road, EN3 4QD	Job brokerage service fee	Employment & skills	£30,000	25/02/2021
16/04184/RE4	19 Maldon Road car park, Newstead House, N9 9QW	Ambulance bay contribution	Health	£3,705	26/03/2020
P12-02202PLA	Ladderswood Estate, N11 1SB	Health contribution	Health	£491,876	04/09/2020
18/03009/FUL	Genotin Road car park, EN1 2AG	S106 management fee	Monitoring fee	£5,450	09/06/2020
19/04114/FUL	Land lying to the west of Eaton Road, site at the east of 80 Beresford Gardens, EN1 1NP	S106 management fee	Monitoring fee	£2,050	28/02/2021
15/02992/FUL	22 Beech Hill Barnet, EN4 0JP	S106 management fee	Monitoring fee	£1,567	28/02/2020
16/04185/RE4	Garages adjacent to 43,47-53 & rear of 17-32 Gatward Green, N9 9AW	S106 management fee	Monitoring fee	£1,524	28/02/2020
17/03925/FUL	Bridge House 1 Forty Hill, EN2 9HT	S106 management fee	Monitoring fee	£896	21/01/2021
20/00615/FUL	15 Church Street, Enfield, EN2 6AF	S106 management fee	Monitoring fee	£350	02/09/2020
19/01614/FUL	Hobart Court, 51 The Bourne, N14 6EX	S106 management fee	Monitoring fee	£350	01/05/2020
20/03903/PRJ	Ross House, Shirley Road, EN2 6SB	S106 management fee	Monitoring fee	£350	10/02/2020
20/04050/PRAA	Ross House, Shirley Road, EN2 6SB	S106 management fee	Monitoring fee	£350	16/12/2020

P13-03220PLA	52 Bell Lane, EN3 7SA	School travel plan monitoring fee	Monitoring fee	£4,029	02/10/2020
18/03009/FUL	Genotin Road car park, EN1 2AG	Travel plan monitoring fee	Monitoring fee	£3,900	10/06/2020
P12-02202PLA	Ladderswood Estate, N11 1SB	Open space contribution	Parks & open spaces	£150,456	04/09/2020
TP/09/0510	80-84 Chase Side Road, N14 5PH	Open space contribution	Parks & open spaces	£19,912	27/08/2020
17/03925/FUL	Bridge House 1 Forty Hill, EN2 9HT	Open space contribution	Parks and open spaces	£17,928	21/01/2021
19/04314/CND	Chase Farm Hospital, The Ridgeway, EN2 8JL	Air quality assessment	Traffic & transportation	£59,160	25/06/2020
17/00344/RE4	Bury Lodge depot, N9 9LA	Cycle Enfield contribution	Traffic & transportation	£119,177	26/03/2021
18/03009/FUL	Genotin Road car park, Genotin Road, EN1 2AG	Cycle Enfield contribution	Traffic & transportation	£22,205	10/06/2020
P13-03220PLA	52 Bell Lane, EN3 7SA	Pedestrian crossing works	Traffic & transportation	£46,044	02/10/2020
P13-03220PLA	52 Bell Lane, EN3 7SA	Pedestrian improvement works contribution	Traffic & transportation	£11,511	02/10/2020
18/03009/FUL	Genotin Road car park, EN1 2AG	Strategic highways works contribution	Traffic & transportation	£25,000	10/06/2020
17/00344/RE4	Bury Lodge depot, N9 9LA	Sustainable transport contribution	Traffic & transportation	£17,520	26/03/2021
18/03009/FUL	Genotin Road car park, EN1 2AG	Traffic order costs	Traffic & transportation	£5,000	10/06/2020
18/03009/FUL	Genotin Road car park, EN1 2AG	Variable signage contribution	Traffic & transportation	£15,000	10/06/2020
Various	Miscellaneous - (miscodes)	Miscellaneous - (miscodes)	Miscellaneous	£6,380	Various
Various	Miscellaneous - (miscodes)	S106 management fee	Monitoring fee	£3,116	Various
Total				£2,209,640	

Appendix H: S106 unallocated balance in 2020/21

Planning application reference	Address	Type of contribution	Service area	Available unallocated balance
P13-02583PLBE	119 - 135 Lavender Hill, EN2 0RH	CCTV	Community safety	£12,485
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Public art	Cultural services	£31,044
P12-01974PLA	86 Lakeside Road, N13 4PR	Lifetime homes	Development management	£1,030
TP/11/0905	Boiler House Watermill Lane, N18 1SA	Employment and training	Economic development	£9,228
Various	Plot 2, Mollison Avenue, EN8 7RU	Employment and training	Economic development	£407,816
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Employment and training monitoring fee	Economic development	£10,348
16/04324/FUL	Former Middlesex University, Trent Park, N14 4YZ	Childcare	Education	£13,359
TP/10/0473	1 Crescent Road and 33 Waverley Road, EN2 7BN	Education	Education	£13,277
Various	Various	Carbon fund	Environment	£51,440
P12-02266PLA	Cat Hill campus, Middlesex University Hospital, EN4 8HU	Health	Health	£76,336
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Health	Health	£97,409
P12-02202PLA	Ladderswood Estate, N11 1SB	Health	Health	£24,473
Various	Various	S106 monitoring fee	Monitoring	£26,975
16/04324/FUL	Former Middlesex University, Trent Park, N14 4YZ	Library/amenity space	Parks & open spaces	£74,805
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Open space	Parks & open spaces	£51,739
TP/08/1733	New River Loop car park, Silver Street, EN1 3EF	Open space	Parks & open spaces	£34,119
14/04205/FUL	Ladysmith Road, N18 2QR	Play equipment	Parks & open spaces	£53,801
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Community facilities	Regeneration	£51,055
Various	Meridian Business Park, EN3 4TJ	Regeneration works	Regeneration	£88,323
P12-02202PLA	Ladderswood Estate, N11 1SB	Accessible and affordable childcare facilities	Traffic & transportation	£1
94/0281	Innova Park, Mollison Avenue, EN3 7XH	Amelioration works	Traffic & transportation	£17,800

P14-02066PLA	46 East Duck Lees Lane, EN3 7SP	Bridge	Traffic & transportation	£131,023
P12-02266PLA	Cat Hill campus, Middlesex University Hospital, EN4 8HU	Bus stop	Traffic & transportation	£41,265
P12-03179PLA	244-262 Bowes Road and land at the rear of 194-242 Bowes Road, N11 2RA	Bus stop	Traffic & transportation	£9,187
P12-02202PLA	Ladderswood Estate, N11 1SB	Consultation & expansion of controlled parking zone	Traffic & transportation	£20,403
P14-00197PLA	109 Station Road, N11 1QH	Controlled parking zone	Traffic & transportation	£5,098
14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Controlled parking zone	Traffic & transportation	£10,186
15/03316/FUL	889 Green Lanes, N21 2QP	Controlled parking zone	Traffic & transportation	£20,252
15/04472/FUL	100 High Street, N14 6BN	Controlled parking zone consultation	Traffic & transportation	£10,158
15/04472/FUL	100 High Street, N14 6BN	Controlled parking zone implementation	Traffic & transportation	£15,238
15/00703/FUL	1 Queens Avenue, N21 3JE	Cycle	Traffic & transportation	£3,033
TP/10/1254	Plot 2, Mollison Avenue, EN8 7RU	Cycleway	Traffic & transportation	£20,654
P12-01762PLA	Enfield college, The Ride, EN3 7DY	Greenway	Traffic & transportation	£10,097
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Highmead estate car club	Traffic & transportation	£2,049
TP/09/1539	Former Co-Op Dairy Site, 19 Gilbert Street, EN3 6PD	Highways	Traffic & transportation	£24,071
TP/10/1362	Plot 1, Innova Park, EN3 7XY	Highways	Traffic & transportation	£5,564
TP/91/1169	109 North Circular Road, N13 5EL	Highways	Traffic & transportation	£2,511
P14-02243PLA	65-75 High Street, N14 6LD	Highways	Traffic & transportation	£8,401
P12-01762PLA	Enfield college, The Ride, EN3 7DY	Highways	Traffic & transportation	£57,586
P13-02587LBE	22 - 68, Forty Hill, EN2 9EG	Highways	Traffic & transportation	£10,042
P13-02586LBE	Garages to the rear of 131-161, Holtwhites Hill, EN2 8BL	Highways	Traffic & transportation	£25,565
P13-02583LBE	119 - 135 Lavender Hill, EN2 0RH	Highways	Traffic & transportation	£2,659
P13-02589 LBE	41 - 63 Tudor Crescent, EN2 0TT	Highways	Traffic & transportation	£29,169
TP/10/1424	Chase Side works, Chelmsford Road, N14 4JN	Highways improvement	Traffic & transportation	£7,653
P12-03177PLA	1-23 Telford Road and 233-237 Bowes Road, N11 2RA	Highways research	Traffic & transportation	£3,056
P12-03177PLA	1-23 Telford Road and 233-237 Bowes Road, N11 2RA	Highways works	Traffic & transportation	£49,714
TP/10/0188	Land north side of Highfield Road, N21 3HE	Landscape	Traffic & transportation	£191

P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Landscape	Traffic & transportation	£5,067
TP/10/1362	Plot 1, Innova Park, EN3 7XY	Landscaping (overspend to be offset by highways)	Traffic & transportation	-£319
P12-01255PLA	The Nightingale Academy Turin Road, N9 8DQ	Lighting	Traffic & transportation	£5,145
16/05682/FUL	Robbins Hall, Gardiner Close, EN3 4LP	Lining and signage	Traffic & transportation	£3,039
TP/03/2327	2 St. Josephs Road, N9 8NL	On street parking	Traffic & transportation	£703
15/04472/FUL	100 High Street, N14 6BN	Parking restriction	Traffic & transportation	£10,158
15/04472/FUL	100 High Street, N14 6BN	Parking control	Traffic & transportation	£2,540
P14-00197PLA	109 Station Road, N11 1QH	Parking restriction	Traffic & transportation	£3,059
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Pedestrian and cycling	Traffic & transportation	£35,466
P14-00197PLA	109 Station Road, N11 1QH	Pedestrian and cycling environment review system - audit greenway improvements	Traffic & transportation	£66,467
16/03928/FUL	90-92, 98 and 104 Lockfield Avenue, EN3 7PX	Pedestrian environment improvement	Traffic & transportation	£170,668
14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Pedestrian movement	Traffic & transportation	£45,500
P12-00707PLA	43 Beech Hill, EN4 0JW	Public realm	Traffic & transportation	£5,835
94/0281	Innova Park, Mollison Avenue, EN3 7XH	Public transport	Traffic & transportation	£332
TP/10/1254	Plot 2, Mollison Avenue, EN8 7RU	Public transport	Traffic & transportation	£15,490
TP/09/1539	19 Gilbert Street, EN3 6PD	Railway improvements	Traffic & transportation	£10,558
TP/11/1341	Units 3-11 and 13-23 North Square, N9 0HW	Street trees	Traffic & transportation	£12
17/05528/FUL	Kingswood Nurseries, Bullsmoor Lane, EN1 4SF	Sustainable transport measures	Traffic & transportation	£150,954
16/04324/FUL	Former Middlesex University, Trent Park, N14 4YZ	Sustainable transport measures	Traffic & transportation	£37,147
TP/09/1539	19 Gilbert Street, EN3 6PD	Traffic calming scheme	Traffic & transportation	£627
P12-00707PLA	43 Beech Hill, EN4 0JW	Sustainable transport	Traffic & transportation	£287
16/03928/FUL	90-92, 98 and 104 Lockfield Avenue, EN3 7PX	Travel monitoring	Traffic & transportation	£3,772
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Waiting restrictions	Traffic & transportation	£3,547
TP/09/1539	19 Gilbert Street, EN3 6PD	Waiting restrictions	Traffic & transportation	£14

Various	Various	S106 education contingency account	Miscellaneous	£48,268
Various	Various	Traffic and transportation contingency account	Miscellaneous	£9,909
Various	Various	Regeneration contingency	Miscellaneous	£6,908
Various	Various	S106 suspense account	Miscellaneous	£89,437
Various	Various	17/18 residual balances and interest	Miscellaneous	£62,481
Various	Various	18/19 residual balances and interest	Miscellaneous	£8,283
Total				£2,473,043

Appendix I: S106 signed non-financial agreements in 2020/21

Planning application reference	Address	No. of residential units	Affordable housing units	Other obligations	Date of agreement
19/01614/FUL	51 The Bourne, N14 6EX	7	N/A	Restriction on parking permits	15/01/2020
19/01779/FUL	Car Park Tudor Way, N14 6PS	9	N/A	Car club and Restriction on parking permits	25/06/2020
19/04114/FUL	Land lying to the West of Eaton Road, at the East of 80 Beresford Gardens, EN1 1NP	1	N/A	Restriction on parking permits	17/07/2020
19/01285/FUL	699 Green Lanes, N21 3RS	18	6	N/A	31/07/2020
20/00615/FUL	15 Church Street, EN2 6AF	3	N/A	Restriction on parking permits	10/12/2020
19/03493/FUL	land on the south east side of Wilford Close, EN2 6AJ	5	N/A	Restriction on parking permits	10/12/2020
19/03564/FUL	2 Tudor Crescent, EN2 0TU	1	N/A	Restriction on parking permits	18/12/2020
20/03903/PRJ	Ross House, Shirley Road, EN2 6SB	18	N/A	Restriction on parking permits	28/01/2021
20/04050/PRAA	Ross House, Shirley Road, EN2 6SB	24	N/A	Restriction on parking permits	10/02/2021
19/01044/FUL	79 Windmill Hill, EN2 7AF	49	10	Employment & Skills Strategy Construction Management Plan	23/02/2021
20/03374/PRJ	1 Chase Side Place, EN2 6QA	2	N/A	Restriction on parking permits	17/03/2021
18/02171/VAR	109 Station Road, N11 1QH	N/A	N/A	Deed of Variation to definitions for affordable housing provision.	27/07/2020
16/05682/FUL	Robbin Hall, Gardiner Close, EN3 4LP	N/A	N/A	Deed of Variation to definitions for affordable housing provision.	10/03/2021
19/03036/FUL	35-36 North Square and North Mall Edmonton Green Shopping Centre, N9 0SN	N/A	N/A	Deed of Variation to definitions for leaseholder.	18/02/2021
	Total	137	16		

Appendix J: S106 affordable housing signed in 2020/21

Planning reference	Site Address	No. of residential units (all tenures)	Affordable housing units & other non monetary obligations
19/01285/FUL	Travis Perkins, 699 Green Lanes, N21 3RS	18 units	6 affordable units
19/01044/FUL	79 Windmill Hill, EN2 7AF	49 units	10 shared ownership units Employment & Skills Strategy Construction Management Plan
Total			16 Affordable Units

Appendix K: S106 Education contributions 2020/21

Education contributions are calculated based on average child yields which are multiplied by capital costs. Cost multiplier figures will be updated annually in line with any changes to Building Cost Information Service (BCIS) costs. Financial contributions are sought at a rate of £2,535 per dwelling, regardless of unit size.

Enfield's approach to the provision of school places and school expansion projects are identified and reported through the pupil places capacity and delivery strategy over a 3-year cycle. When s106 funding is received from the developer it is held in a holding account. Schools and Children's Services are informed of the s106 available funding through the course of the year and it is allocated to an appropriate school capital scheme identified through the strategy within the geographical location of that development and drawn down at the end of financial year.

Appendix L: S106 allocated balance in 2020/21

Planning application reference	Address	Description	Allocated details	Service area	Allocated Balance
TP/08/0893	289-291 Fore Street, N9 0PD	Conservation	Conservation Area enhancements at Fore Street	Conservation	£15,902
Various	Various	Regeneration contingency	Enfield summer festival	Cultural services	£8,806
Various	Various	Carbon fund	Retrofit at Naylor Grove and Albany Park wetlands	Environment	£270,000
16/03928/FUL	Land at 90-92, 98 and 104 Lockfield Avenue, EN3 7PX	Environmental improvements	Albany Park wetlands	Environment	£70,000
16/04324/FUL	Former University, Trent Park, N14 4YZ	Health	Enfield Chase Woodland Way restoration	Environment	£79,348
P12-02202PLA	Ladderswood estate, N11 1SG	Health	Moore Brook green link	Environment	£50,000
P12-02266PLA	Former Cat Hill Campus, University Hospital, EN4 8HU	Health	Woodland Way flood alleviation	Environment	£45,000
P12-02266PLA	Former Cat Hill Campus, University Hospital, EN4 8HU	Health	Four Hills housing estate	Environment	£50,000
P12-02266PLA	Former Cat Hill Campus, University Hospital, EN4 8HU	Health	Oakwood Park wetlands	Environment	£120,000
P12-02266PLA	Former Cat Hill Campus, University Hospital, EN4 8HU	Health	Enfield Chase Woodland Way restoration	Environment	£120,757
TP/09/1238	483-499 Green Lanes, N13 4BS	Amenity space	Broomfield Park playground	Parks & open spaces	£3,294

16/04324/FUL	Former University, Trent Park, N14 4YZ	Amenity space	Play equipment Trent Park	Parks & open spaces	£10,239
TP/97/0421	Strayfield Works, Strayfield Road, EN2 9JE	Amenity space	Hillyfields bandstand and landscaping works	Parks & open spaces	£6,169
TP/11/1307	Gwalior House, Avenue Road, N14 4DS	Open space	Oakwood Park Ice House	Parks & open spaces	£14,709
P12-03177PLA	1-23 Telford Road and 233-237 Bowes Road, N11 2RA	Open space	Broomfield park netball refurbishments	Parks & open spaces	£30,559
TP/09/0423/NM1	90-120 Green Lanes, N13 5UP	Open space	Tatem Park fountain	Parks & open spaces	£812
TP/10/0286	86-90 Crest Drive, EN3 5QD	Open space	Notice board in Elsinge Park	Parks & open spaces	£1,829
TP/11/0905	Boiler House, Watermill Lane, N18 1SA	Open space	Montagu Recreation Ground - Tree planting	Parks & open spaces	£5,412
P12-02202PLA	Ladderswood estate, N11 1SG	Open space	Broomfield park netball refurbishments	Parks & open spaces	£3,913
P12-03179PLA	244-262 Bowes Road, and land at the rear of 194-242 Bowes Road, N11 2RA	Open space	Broomfield park netball refurbishments	Parks & open spaces	£28,968
17/04748/RM	Alma Estate and Falcon Rd Spur, EN3 4QD	Alma Controlled Parking Zone	Parking services	Traffic & transportation	£25,000
TP/94/0281	Innova Park, Mollison Avenue, EN3 7XH	Amelioration works	Northern Gateway Access Road feasibility	Traffic & transportation	£8,685
P14-02066PLA	Ponders End Industrial Estate, East Duck Lees Lane, EN3 7SP	Bridge	Feasibility work for bridge	Traffic & transportation	£25,000
14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Bus stop	Transferred to TfL bus stop improvements	Traffic & transportation	£368

P13-03220PLA	52 Bell Lane, EN3 7SA	CCTV	ANPR	Traffic & transportation	£51,129
14/04854/FUL	19 Brimsdown Avenue, EN3 5HZ	Cycle facility	Cycle Enfield Ponders End section 1	Traffic & transportation	£14,238
P12-03055PLA	Land at Advent Way, N18 3AH	Footpath	Footpath works	Traffic & transportation	£15,640
P12-02803PLA	33 Jeffreys Road, EN3 7PW	Greenway cycle	Cycle Enfield A1010 North	Traffic & transportation	£2,051
P12-03055PLA	Land at Advent Way, N18 3AH	Greenway cycle	Enfield summer festival, Cycle Enfield A1010 South	Traffic & transportation	£20,508
P12000213PLA	Plot 2, Mollison Avenue, EN8 7RU	Greenway cycle	Cycle Enfield A1010 North	Traffic & transportation	£18,768
P12-02266PLA	Former Cat Hill campus, University Hospital, EN4 8HU	Highway	New waiting restrictions on Chase Side	Traffic & transportation	£15,447
TP/11/0905	Boiler House, Watermill Lane, N18 1SA	Highway	Cycle Enfield A1010 South & Enfield summer Festival colourful crossings	Traffic & transportation	£51,269
P13-02588LBE	85 Parsonage Lane, EN2 0AG	Highway	Junction improvements	Traffic & transportation	£12,061
TP/11/1307	Gwalior House, Avenue Road, N14 4DS	Highway	Highways improvements	Traffic & transportation	£20,360
P12-03179PLA	244-262 Bowes Road and land at the rear of 194-242 Bowes Road, N11 2RA	Highway	Road safety improvements	Traffic & transportation	£30,624
TP/04/1689	5 & 5A Old Park Road, EN2 7BE	Highway	Highways crossings	Traffic & transportation	£15,052
TP/06/1275	698 Green Lanes, N21 3RE	Highway	Provision of two parking bays	Traffic & transportation	£4,548

TP/10/1800	Pumping Station, Hadley Road, EN2 8LA	Highway	50mph signage	Traffic & transportation	£2,923
P13-02584LBE	50-60 St Georges Road, EN1 4TX	Highway	Moore Brook Green Link	Traffic & transportation	£8,692
P12-01749PLA	213-219 Baker Street, EN1 3LA	Highway	Healthy Streets	Traffic & transportation	£884
14/04205/FUL	Ladysmith Road, N18 2QR	Highway	Cycle Enfield A1010 South	Traffic & transportation	£15,543
TP/10/1424	Chase Side Works, Chelmsford Road, N14 4JN	Highway	Footway improvements Chelmsford Road	Traffic & transportation	£16,220
16/01578/FUL	New Avenue Estate, N14 4DG	Highway	Highways improvements to New Avenue estate	Traffic & transportation	£160,000
P12-02465PLA	Highmead Estate, Fore Street, N18 2SL	Highway	Cycle Enfield A1010 South	Traffic & transportation	£76,347
18/03845/FUL	20-26 Drapers Road, EN2 8LU	Highway	Drapers Road works	Traffic & transportation	£5,032
P12-03055PLA	Land at Advent Way, N18 3AH	Landscape	Maintenance of pond and landscaping at Pymmes Park	Traffic & transportation	£528
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Loss of parking	Parking services	Traffic & transportation	£15,074
TP/02/0520	Delta Works, Millmarsh Lane, EN3 7QJ	Maintenance of riverside walk	Maintenance of riverside walk	Traffic & transportation	£66,784
P12-02202PLA	Ladderswood estate, N11 1SG	Open space	Broomfield park netball refurbishments	Traffic & transportation	£102,000
TP/00/1640	59 Lockfield Avenue, EN3 7PX	Pedestrian and cycle improvements	Cycle Enfield A1010 North	Traffic & transportation	£14,745

P12-02202PLA	Ladderswood estate, N11 1SG	Pedestrian and cycling environment review system - audit greenway improvements	Highways improvements	Traffic & transportation	£30,491
P14-00197PLA	109 Station Road, N11 1QH	Pedestrian and cycling environment review system - audit greenway improvements	Highways improvements	Traffic & transportation	£10,000
14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Pedestrian crossing	Lavender Hill pedestrian crossing	Traffic & transportation	£76,398
TP/09/0028	57 Stockingswater Lane, EN3 7PH	Riverside walk	Lee Navigation embankment footpath improvements	Traffic & transportation	£16,581
P12-02220PLA	360 Cockfosters Road, EN14 0JT	Sustainable transport	Healthy Streets	Traffic & transportation	£10,150
TP/06/1430	1-5 Coleman Parade and New River House, 6a Coleman Parade, 6-14 Southbury Road, EN1 1YY	Transport	Cycle Enfield	Traffic & transportation	£47,405
P14-00197PLA	109 Station Road, N11 1QH	Travel plan monitoring fees	Travel plan monitoring	Traffic & transportation	£3,498
Various	Various	Travel plan monitoring fees	Travel plan monitoring	Traffic & transportation	£72,802
TP/01/1464	1-23 Linden Way, N14 4LY	Waiting restrictions	Chelmsford Road Controlled Parking Zone	Traffic & transportation	£4,831
TP/09/1539	19 Gilbert Street, EN3 6PD	Waiting restrictions	Waiting restrictions at Gilbert Street	Traffic & transportation	£2,239
P12-01390PLA	1 & 3 Pitfield Way, EN3 5BY	Waiting restrictions	Highways works in Pitfield Street	Traffic & transportation	£1,852
Total					£2,027,484

Appendix M: S106 allocated balance spent in 2020/21

Planning application reference	Project Details	Spend for 20-21	Service Area
Multiple - pooled	Enjoy Enfield summer festival	£69,644.14	Cultural services
P12-02202PLA	Garfield former Key Stage 2 building	£156,892.47	Education
15/02040/FUL	Job brokerage service	£60,000.00	Employment and skills
P12-02202PLA	Moore Brook green link	£50,000.00	Environment
P12-02266PLA	Woodland Way flood alleviation	£45,000.00	Environment
Multiple - pooled	Ladderswood estate	£97,232.00	Estate renewal
Multiple - pooled	Small sites	£307,344.00	Estate renewal
P13-03212PLA	Amenity features at Town Park	£282.51	Public realm
Various	Fore Street memorial	£2,672.63	Public realm
P14-00197PLA	109 Station Road - Pedestrian and cycling environment audit	£698.47	Traffic & transportation
P12-01390PLA	1-3 Pitfield Way - waiting restrictions	£1,189.11	Traffic & transportation
TP/09/1539	19 Gilbert Street traffic calming scheme	£236.24	Traffic & transportation
TP/10/1800	50mph Hadley Road signage	£1,027.38	Traffic & transportation
Multiple - pooled	Cycle Enfield A1010 North	£75,186.26	Traffic & transportation
Multiple - pooled	Cycle Enfield A1010 South	£54,578.30	Traffic & transportation
P12-03055PLA	Footpath link to Meridian Way	£2,858.15	Traffic & transportation
01/1464	Footway improvements Chelmsford Road	£8,639.83	Traffic & transportation
94/0281	Innova Park amelioration works	£17,800.00	Traffic & transportation
14/04574/OUT	Lavender Hill pedestrian crossing	£18,340.78	Traffic & transportation
16/01578/FUL	New Avenue highways improvement works	£69,494.68	Traffic & transportation
99/0560	Riverside walk maintenance	£16,272.37	Traffic & transportation
Multiple - pooled	Travel plan monitoring	£15,744.00	Traffic & transportation
TP/10/1424	Waiting restrictions Chase Side Road	£4,445.95	Traffic & transportation
P12-03179PLA	Zebra crossing Wilmer Way	£2,518.21	Traffic & transportation
Total		£1,078,097	

Appendix N: S106 monitoring fee 2020/21

Planning reference	Address	Type of contribution	Amount	Date
18/03009/FUL	Car park, Genotin Road, EN1 2AG	S106 Management Fee	£5,450	09/06/2020
19/04114/FUL	Land lying to the west of Eaton Road, site at the east of 80 Beresford Gardens, EN1 1NP	S106 Management Fee	£2,050	28/02/2021
15/02992/FUL	22 Beech Hill Barnet, EN4 0JP	S106 Management Fee	£1,567	28/02/2020
16/04185/RE4	Garages adjacent to 43,47-53 & rear of 17-32 Gatward Green, N9 9AW	S106 Management Fee	£1,524	28/02/2020
17/03925/FUL	Bridge House, Forty Hill, EN2 9HT	S106 Management Fee	£896	21/01/2021
20/00615/FUL	15 Church Street, EN2 6AF	S106 Management Fee	£350	02/09/2020
19/01614/FUL	51 The Bourne, N14 6EX	S106 Management Fee	£350	01/05/2020
20/03903/PRJ	Ross House, Shirley Road, EN2 6SB	S106 Management Fee	£350	10/02/2020
20/04050/PRAA	Ross House, Shirley Road, EN2 6SB	S106 Management Fee	£350	16/12/2020
Miscellaneous	Miscellaneous - (Miscodes)	S106 Management Fee	£3,116	Various
Total			£16,003	

Appendix O: S106 Closing balance in 2020/21

Planning Reference	Address	Contribution description	Service Area	Closing Balance 20/21
Various	Various	Affordable housing contribution	Affordable housing	£6,318
P13-03220PLA	52 Bell Lane, EN3 7SA	CCTV contribution	Community safety	£51,129
TP/08/0893	289-291 Fore Street, N9 0PD	Conservation contribution	Conservation	£15,902
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Public art contribution	Culture and arts	£31,044
P12-01974PLA	86 Lakeside Road, N13 4PR	Lifetime homes contribution	Development management	£1,030
P12-02202PLA	Ladderswood Estate, N11 1SB	Accessible and affordable childcare facilities	Education	£1
TP/10/0473	1 Crescent Road and 33 Waverley Road, EN2 7BN	Education contributions	Education	£13,277
16/04324/FUL	Former Middlesex University, Trent Park, N14 4YZ	Childcare contribution	Education	£13,359
Various	Various	S106 education contingency account	Education	£9,909
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Employment and training monitoring fee	Employment and skills	£10,348
TP/11/0905	Boiler House Watermill Lane, N18 1SA	Employment and training	Employment and skills	£9,228
Various	Plot 2, Mollison Avenue, EN8 7RU	Local employment and training skills (borough wide)	Employment and skills	£377,816
Various	Various	Carbon fund contribution	Environment	£302,054
P12-02266PLA	Cat Hill campus, Middlesex University Hospital, EN4 8HU	Health contribution	Health	£366,911
16/04324/FUL	Former Middlesex University, Trent Park, N14 4YZ	Health contribution	Health	£79,348
16/04324/FUL	Former Middlesex University, Trent Park, N14 4YZ	Library/amenity space contribution	Health	£85,044
Various	Various	S106 management fee	Monitoring Fees	£6,350
TP/97/0421	Strayfield works, Strayfield Road, EN2 9JE	Public amenity contribution	Parks & open spaces	£6,169
TP/09/0423	90 -120 Green Lanes, N13 5UP	Open space contribution	Parks & open spaces	£812

TP/10/0286	86-90 Crest Drive, EN3 5QD	Open space contribution	Parks & open spaces	£1,829
TP/09/0028	57 Stockingswater Lane, EN3 7PH	Open space contribution	Parks & open spaces	£16,581
TP/09/1238	483- 499 Green Lanes, N13 4BS	Amenity space contribution	Parks & open spaces	£3,294
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Open space contribution	Parks & open spaces	£51,739
TP/11/0905	Boiler House Watermill Lane, N18 1SA	Open space contribution	Parks & open spaces	£5,412
TP/08/1733	New River Loop car park, Silver Street, EN1 3EF	Open space contribution	Parks & open spaces	£33,836
TP/10/1362	Plot 1, Innova Park, EN3 7XY	Landscaping contribution (overspend to be offset by highways contribution)	Parks & open spaces	-£319
P12-03179PLA	244-262 Bowes Road and land at the rear of 194-242 Bowes Road, N11 2RA	Open space improvement	Parks & open spaces	£28,968
P12-02202PLA	Ladderswood Estate, N11 1SB	Open space enhancement contribution	Parks & open spaces	£3,913
P12-03177PLA	1-23 Telford Road and 233-237 Bowes Road, N11 2RA	Open space contribution	Parks & open spaces	£30,559
TP/11/1307	Gwalior House, Avenue Road, N14 4DS	Open space contribution	Parks & open spaces	£14,709
14/04205/FUL	Ladysmith Road, N18 2QR	Play equipment contribution	Parks & open spaces	£53,801
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Landscape contribution	Parks & open spaces	£5,067
N/A	Meridian Business Park, EN3 4TJ	Contribution for regeneration works	Regeneration	£88,323
Various	Various	Regeneration contingency	Regeneration	£6,908
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Community facilities	Regeneration	£51,055
TP/02/0520	Delta works site, Millmarsh Lane, EN3 7QJ	Maintenance of riverside walk	Traffic & transportation	£50,512
TP/01/1464	1-23 Linden Way, N14 4LY	Highways improvement contribution	Traffic & transportation	£4,831
TP/03/2327	2 St. Josephs Road, N9 8NL	On street parking	Traffic & transportation	£703
TP/04/1689	5 & 5A Old Park Road, EN2 7BE	Highways contribution	Traffic & transportation	£15,052
TP/06/1275	698 Green Lanes, N21 3RE	Highways contribution	Traffic & transportation	£4,548
94/0281	Innova Park, Mollison Avenue, EN3 7XH	Public transport contribution	Traffic & transportation	£332
94/0281	Innova Park, Mollison Avenue, EN3 7XH	Amelioration works	Traffic & transportation	£8,685
TP/10/0188	Land north side of Highfield Road, N21 3HE	Landscape contribution	Traffic & transportation	£191
TP/09/1539	Former Co-Op Dairy Site, 19 Gilbert Street, EN3 6PD	Highways contribution	Traffic & transportation	£24,071

TP/09/1539	Former Co-Op Dairy Site, 19 Gilbert Street, EN3 6PD	Traffic calming scheme	Traffic & transportation	£391
TP/09/1539	Former Co-Op Dairy Site, 19 Gilbert Street, EN3 6PD	Railway improvements	Traffic & transportation	£10,558
TP/09/1539	Former Co-Op Dairy Site, 19 Gilbert Street, EN3 6PD	Waiting restrictions	Traffic & transportation	£2,253
TP/10/1424	Chase Side works, Chelmsford Road, N14 4JN	Highways improvement contribution	Traffic & transportation	£15,233
TP/06/1430	1-5 Coleman Parade and New River House, 6a Coleman Parade, 6-14 Southbury Road, EN1 1YY	Transport contribution	Traffic & transportation	£47,405
Various	Various	Traffic and transportation contingency account	Traffic & transportation	£24,303
Various	Various	Travel plan monitoring fee	Traffic & transportation	£60,958
TP/11/1341	Units 3-11 and 13-23 North Square, N9 0HW	Street trees contribution	Traffic & transportation	£12
TP/10/1800	Pumping Station at Hadley Road, EN2 8LA	Highways contribution	Traffic & transportation	£1,895
P12-01390PLA	1-3 Pitfield Way, EN3 5BY	Waiting restrictions	Traffic & transportation	£663
P12-00707PLA	43 Beech Hill, EN4 0JW	Transport contribution	Traffic & transportation	£287
P12-00707PLA	43 Beech Hill, EN4 0JW	Public realm contribution	Traffic & transportation	£5,835
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Initial highway works contribution	Traffic & transportation	£34,336
TP/11/0905	Boiler House Watermill Lane, N18 1SA	Highways contribution	Traffic & transportation	£14,904
P12-03055PLA	Land at Advent Way, N18 3AH	Footpath contribution	Traffic & transportation	£12,781
P12-03055PLA	Land at Advent Way, N18 3AH	Landscape contribution	Traffic & transportation	£528
P12-03055PLA	Land at Advent Way, N18 3AH	Greenway contribution	Traffic & transportation	£10,508
P12-02803PLA	33 Jeffreys Road, EN3 7PW	Greenway crossing fee	Traffic & transportation	£2,051
P12-02266PLA	Cat Hill campus, Middlesex University Hospital, EN4 8HU	Bus Stop contribution	Traffic & transportation	£41,265
P12-02266PLA	Cat Hill campus, Middlesex University Hospital, EN4 8HU	Highways contribution	Traffic & transportation	£11,001
P13-02588LBE	85 Parsonage Lane, EN2 0AG	Highways contribution	Traffic & transportation	£12,061
P13-02587LBE	22 - 68 Forty Hill, EN2 9EG	Highways contribution	Traffic & transportation	£10,042

P13-02586LBE	Garages to the rear of 131-161 Holtwhites Hill, EN2 8BL	Highways contribution	Traffic & transportation	£25,565
P13-02583LBE	119 - 135 Lavender Hill, EN2 0RH	Highways contribution	Traffic & transportation	£2,659
P13-02584LBE	22 - 68, Forty Hill, EN2 9EG	Highways contribution	Traffic & transportation	£8,692
P13-02589 LBE	41 - 63 Tudor Crescent, EN2 0TT	Highways contribution	Traffic & transportation	£29,169
P13-02583PLBE	119 - 135 Lavender Hill, EN2 0RH	CCTV contribution	Traffic & transportation	£12,485
P12-01255PLA	The Nightingale Academy Turin Road, N9 8DQ	Lighting contribution	Traffic & transportation	£5,145
P12-02465PLA	Highmead estate, Fore Street, N18 2FE	Highmead estate car club	Traffic & transportation	£2,049
TP/10/1362	Plot 1, Innova Park, EN3 7XY	Highways contribution	Traffic & transportation	£35
P12-03179PLA	244-262 Bowes Road and land at the rear of 194-242 Bowes Road, N11 2RA	Highways bond contribution	Traffic & transportation	£30,624
P12-03179PLA	244-262 Bowes Road and land at the rear of 194-242 Bowes Road, N11 2RA	Bus Stop contribution	Traffic & transportation	£9,187
TP/91/1169	109 North Circular Road, N13 5EL	Highways contribution	Traffic & transportation	£2,511
P12-01749PLA	213-219 Baker Street, EN1 3LA	Highways contribution	Traffic & transportation	£884
P12-02202PLA	Ladderswood Estate, N11 1SB	Consultation & Expansion of Controlled parking zone	Traffic & transportation	£20,403
P12-02220PLA	359 Cockfosters Road, EN14 0JT	Sustainable transport	Traffic & transportation	£10,150
P14-00197PLA	109 Station Road, N11 1QH	Parking restriction contribution	Traffic & transportation	£3,059
P14-00197PLA	109 Station Road, N11 1QH	Pedestrian and cycling environment review system - audit greenway improvements	Traffic & transportation	£75,769
P14-00197PLA	109 Station Road, N11 1QH	Travel plan monitoring	Traffic & transportation	£3,498
P14-00197PLA	109 Station Road, N11 1QH	Controlled parking contribution	Traffic & transportation	£5,098
14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Controlled parking zone contribution	Traffic & transportation	£10,186
14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Lavender Hill pedestrian crossing contribution	Traffic & transportation	£58,057
14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Bus Stop contribution	Traffic & transportation	£368

14/04574/OUT	Chase Farm Hospital, The Ridgeway, EN2 8JL	Pedestrian movement	Traffic & transportation	£45,500
P12-03177PLA	1-23 Telford Road and 233-237 Bowes Road, N11 2RA	Highways research contribution	Traffic & transportation	£3,056
P12-03177PLA	1-23 Telford Road and 233-237 Bowes Road, N11 2RA	Highways works contribution	Traffic & transportation	£47,196
14/04854/FUL	18 Brimsdown Avenue, EN3 5HZ	Cycle facility contribution	Traffic & transportation	£14,238
TP/11/1307	Gwalior House, Avenue Road, N14 4DS	Highways contribution	Traffic & transportation	£20,360
P14-02243PLA	65-75 High Street, N14 6LD	Highways contribution	Traffic & transportation	£8,401
P12-02202PLA	Ladderswood Estate, N11 1SB	Pedestrian and cycling environment review system - audit greenway improvements	Traffic & transportation	£30,491
P14-02066PLA	46 East Duck Lees Lane, EN3 7SP	Bridge contribution	Traffic & transportation	£156,023
14/04205/FUL	Ladysmith Road, N18 2QR	Highways contribution	Traffic & transportation	£12,976
15/04472/FUL	100 High Street, N14 6BN	Parking control contribution	Traffic & transportation	£2,540
15/04472/FUL	100 High Street, N14 6BN	Controlled parking zone consultation contribution	Traffic & transportation	£10,158
15/04472/FUL	100 High Street, N14 6BN	Parking contribution	Traffic & transportation	£10,158
15/04472/FUL	100 High Street, N14 6BN	Controlled parking zone implementation	Traffic & transportation	£15,238
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Waiting contribution	Traffic & transportation	£3,547
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Health contribution	Traffic & transportation	£97,409
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Loss of parking contribution	Traffic & transportation	£15,074
P13-03212PLA	Car park, Cecil Road, EN2 6TJ	Pedestrian and cycling contribution	Traffic & transportation	£35,466
16/05682/FUL	Robbins Hall, Gardiner Close, EN3 4LP	Lining and signage	Traffic & transportation	£3,039
15/03316/FUL	889 Green Lanes, N21 2QP	Controlled parking zone contribution	Traffic & transportation	£20,252
15/00703/FUL	1 Queens Avenue, N21 3JE	Cycle contribution	Traffic & transportation	£3,033
16/03928/FUL	90-92, 98 and 104 Lockfield Avenue, EN3 7PX	Pedestrian environment improvement	Traffic & transportation	£240,668
16/03928/FUL	90-92, 98 and 104 Lockfield Avenue, EN3 7PX	Travel monitoring contribution	Traffic & transportation	£3,772

16/04324/FUL	Former Middlesex University, Trent Park, N14 4YZ	Sustainable transport measures	Traffic & transportation	£37,147
P12-01762PLA	Enfield college, The Ride, EN3 7DY	Highways contribution	Traffic & transportation	£57,586
P12-01762PLA	Enfield college, The Ride, EN3 7DY	Greenway contribution	Traffic & transportation	£10,097
18/03845/FUL	20-26 Drapers Road, EN2 8LU	Traffic order contribution	Traffic & transportation	£5,032
17/05528/FUL	Kingswood Nurseries, Bullsmoor Lane, EN1 4SF	Sustainable transport contribution	Traffic & transportation	£150,954
Various	Various	S106 contingency account	Various	£48,268
Various	Various	S106 suspense account	Various	£1,871,930
Various	Various	17/18 residual balances and interest	Various	£62,481
Various	Various	18/19 residual balances and interest	Various	£8,283
			Total	£5,575,885

Appendix P: CIL relief in 2020/21

Planning application reference	Site address	Ward	Relief type	Amount
19/03802/RE4	Reardon Court, 26 Cosgrove Close, N21 3BH	Winchmore Hill	Social housing relief	£801,799.27
19/04287/FUL	76 Broad Walk, N21 3BJ	Winchmore Hill	Self-build exemption	£141,397.15
19/03824/FUL	Land At Hoppers Road, N21 3JR	Winchmore Hill	Self-build exemption	£84,854.39
19/01285/FUL	699 Green Lanes, N21 3RS	Winchmore Hill	Social housing relief	£56,467.33
19/02145/FUL	41 Kingwell Road, EN4 0HZ	Cockfosters	Self-build exemption	£39,584.23
20/00102/FUL	15 Newmans Way, EN4 0LP	Cockfosters	Self-build exemption	£32,473.58
20/03165/HOU	7 Walmar Close, EN4 0LA	Cockfosters	Extensions exemption	£28,537.24
20/00010/HOU	35 Beech Hill Avenue, EN4 0LU	Cockfosters	Extensions exemption	£26,364.96
20/03170/CEA	15 Newmans Way, EN4 0LP	Cockfosters	Annex exemption	£24,716.00
20/01717/HOU	12 Newmans Way, EN4 0LP	Cockfosters	Annex exemption	£23,411.61
20/00474/HOU	15 Beech Avenue, EN2 9DB	Chase	Extensions exemption	£22,313.43
20/01346/HOU	10 Eversley Crescent, N21 1EJ	Grange	Extensions exemption	£19,497.59
20/00485/HOU	1A Bazile Road, N21 1HD	Grange	Extensions exemption	£18,138.39
19/02316/FUL	30 Bourne Hill, N13 4LH	Winchmore Hill	Self-Build exemption	£11,398.25
18/04483/FUL	15A & 15B Eley Industrial Estate, N18 3BB Units 8 & 9 Edmonton Trade Park, N18 3AJ	Edmonton Green	Self-Build exemption	£11,165.84
19/01360/FUL	206 Nags Head Road, EN3 7AS	Ponders End	Self-Build exemption	£10,840.29
18/03934/FUL	6 Arnold Avenue East, EN3 6JB	Enfield Lock	Self-Build exemption	£1,215.33
			Total	£1,354,174.88

Appendix Q: Footnotes

- ¹ Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019
- ² The Enfield Council Plan can be viewed on the council's website at <https://new.enfield.gov.uk/services/your-council/our-vision-aims-and-values/>
- ³ Mayor of London's Transport Strategy (GLA, 2018)
- ⁴ As demonstrated through the approval of the new global headquarters of Metaswitch and Troubadour Meridian Water Studios, one of the largest TV studios in London, which will provide employment opportunities and high level skills to Enfield residents.
- ⁵ Longer term forecasting will be dependent on the forthcoming review of the adopted Enfield CIL Charging Schedule (<https://new.enfield.gov.uk/services/planning/planning-obligations/>) The charging rates set out in the schedule will need to be reviewed (as per government guidance) to take account of changing market conditions (e.g. rising house prices and land values) and the infrastructure needs arising from the borough's future growth set out in the new emerging Local Plan. Any changes to the borough's charging schedule will need to be subject to public consultation and independent examination in line with the regulations.
- ⁶ The Enfield CIL Charging Schedule can be found at <https://new.enfield.gov.uk/services/planning/annual-cil-rate-summary-2021-planning.pdf>.
- ⁷ CIL is charged per square metre (gross floorspace) and must be paid once the development commences (see <https://new.enfield.gov.uk/services/planning/annual-cil-rate-summary-2021-planning.pdf>).
- ⁸ CIL contributions received from a single application of over £100,000.
- ⁹ Relevant planning application information can be found from Enfield's planning register at <https://new.enfield.gov.uk/services/planning/the-planning-register/>.
- ¹⁰ As per the Community Infrastructure Levy (Coronavirus) (Amendment) (England) Regulations 2020.
- ¹¹ Enfield Council Plan (2020-2022).
- ¹² The Infrastructure Delivery Plan has been published as a working document alongside the regulation 18 consultation of the emerging Local Plan. For further details please see <https://new.enfield.gov.uk/services/planning/draft-new-local-plan>.
- ¹³ Exemptions granted to a value greater than £50,000
- ¹⁴ Regulation 49A, Community Infrastructure Levy Regulations (2010) as amended (2019).

- ¹⁵ This figure is based on unspent receipts received over the following financial years: 2016/2017, 2017/2018 and 2018/2019 (which is capped at £100 per dwelling).
- ¹⁶ Further details on the bidding process (including the scoring and eligibility criteria of the fund that will evaluate project bids) can be found from our website at <https://new.enfield.gov.uk/services/your-council/>
- ¹⁷ The recommendations of the report (see <https://new.enfield.gov.uk/services/your-council/enfield-poverty-and-inequality-commission-report-your-council.pdf>) are aligned with those set out in the Enfield Council Plan.
- ¹⁸ Regulation 61(4), Community Infrastructure Levy Regulations (2010) as amended (2019).
- ¹⁹ Mayoral community infrastructure charging schedule (see www.london.gov.uk/sites/charging_schedule).
- ²⁰ This increased charge applies to development granted planning permission on or after 1 April 2019.
- ²¹ Notable agreements are those with contributions over £100,000 and/or 10 plus affordable units (total value includes S106 fees).
- ²² Appendix G provides a full breakdown of S106 receipts in 2020/21 (notable schemes listed in table 8 contributed over £100,000 in S106 receipts in 2020/21).
- ²³ The S106 balance is monies received in the financial year or carried forward into the next reporting period from previous years which have not been spent in 2020/21 (i.e April 2020 to March 2021).
- ²⁴ Please note: the S106 priority list is set out in core policy 46 of the adopted Core Strategy (infrastructure contributions).
- ²⁵ Allocations must meet the specified requirements defined within the S106 agreement relating to each site.
- ²⁶ <https://new.enfield.gov.uk/services/children-and-education/strategy-and-approach-to-delivering-pupil-places-children-and-education.pdf>.
- ²⁷ The councils strategy for delivering school places can be viewed at <https://new.enfield.gov.uk/services/children-and-education/strategy-and-approach-to-delivering-pupil-places-children-and-education.pdf>.
- ²⁸ <https://new.enfield.gov.uk/services/your-council/capital-strategy-2022-23-your-council.pdf>.
- ²⁹ Additional places specifically for special education needs and disabilities (SEND) students.

- ³⁰ Mayor of London's Transport Strategy.
- ³¹ Appendix M provides a full list of S106 allocations spent in 2020/21.
- ³² S106 contributions are sought from major developments (as defined in the S106 Supplementary Planning Document) to ensure that contractors employ local labour in construction and provide appropriate work-based training/apprenticeships. Developers are required to prepare a jobs and employment strategy setting out how local labour and training opportunities, including apprenticeships, will be created. At least 25% of the workers employed in the construction of the development should be residents. 10% of the value of goods on site should be procured from local businesses.
- ³³ Policy SI 2 of the adopted London Plan (see https://www.london.gov.uk/sites/default/files/the_london_plan_2021.pdf).
- ³⁴ Developer contributions will be sought from all major developments of 11 or more residential units at a rate of £1,800 per tonne of carbon dioxide, as set out in the Section 106 Supplementary Planning Document (see <https://new.enfield.gov.uk/services/planning/s106-supplementary-planning-planning.pdf>).
- ³⁵ Energetik is an energy supplier established on behalf of the London Borough of Enfield to deliver better value and environmentally friendly energy to Enfield residents (see <https://www.energetik.london/>).
- ³⁶ The map can be downloaded from our website at <http://www.mapsinteractive.co.uk/planvu/Enfield>.
- ³⁷ The adopted version of the Blue and Green Strategy can be viewed or downloaded at <https://new.enfield.gov.uk/services/planning/climate-change-and-biodiversity/#2>.
- ³⁸ The funding was secured from the Thames Regional Flood Coastal Committee (see <https://www.gov.uk/government/groups/thames-regional-flood-and-coastal-committee>).
- ³⁹ The current arrangements on the allocation and prioritisation of CIL and S106 monies were formally agreed at Cabinet and Full Council in February 2020.
- ⁴⁰ In future years, funds will be pooled from receipts collected from NCIL into a rolling pot, with a minimum spend of £400k per year from April 2022 onwards (based on the forecast allocation over the 2020/2021 and 2021/2022 financial periods) which could increase as a result of new development.

Enfield London Borough Council

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Silver Street
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www.enfield.gov.uk



MUNICIPAL YEAR 2019/2020 REPORT NO.**195****MEETING TITLE AND DATE:**

Cabinet (12.2.20)

Council (26.2.20)

REPORT OF:

Executive Director of Place

Contact officer and telephone number:

Philip Wadsworth (020 8379 1451)

Agenda - Part: 1**Item: 10****Subject:****New decision-making arrangements to spend the Enfield community infrastructure levy and section 106 agreements****Wards: All KD 5029****Cabinet member consulted: Cllr Caliskan****1. EXECUTIVE SUMMARY**

- 1.1 Section 106 agreements and the Community Infrastructure Levy (CIL) are used to fund the provision of supporting infrastructure in association with development. They maximise the benefits and opportunities from growth such as employment opportunities and affordable homes.
- 1.2 Both receipts have increased significantly over the past financial year (2018/2019), as a result of major developments in Enfield and improvements to monitoring and collection. In 2018/2019, we collected over £2.7 million of section 106 receipts and over £6.3 million of CIL receipts.
- 1.3 This report seeks approval to set up new decision-making and reporting system to inform the prioritisation and allocation of community infrastructure levy (CIL) and section 106 funding (S106) and ensure compliance with the new CIL regulations, which will facilitate the delivery of timely infrastructure and the phasing of development across the borough.

2. RECOMMENDATIONS**2.1 Cabinet is asked to:**

- recommend to Full Council that from April 2020 onwards to allocate CIL spend through the main capital programme and agree on the priorities on its allocation, as part of the annual budget setting process;
- approve the proposed governance arrangements through which decisions on the funding of infrastructure (CIL and S106 agreements) will be determined (see section 3.12);
- note the revocation of the Regulation 123 List (April 2016) which restricts the use of CIL to specified projects;
- delegate authority to the Cabinet Member for Strategic Planning to approve consultation on the neighbourhood portion (based on 15% of CIL receipts) and the priorities on how it is spent;
- approve the publication of the borough's first Infrastructure Funding Statement (see appendix 1) setting out how CIL and S106 income has been spent over the previous financial year (2018/2019) and how spend will be prioritised over the next reporting period; and

- delegate authority to the Executive Director of Place in consultation with the Cabinet Member for Strategic Planning to approve the publication of future Infrastructure Delivery Statements and authority to consult on updates to the Infrastructure Delivery Plan.

3. BACKGROUND

Introduction

- 3.1 This report proposes the key governance and reporting arrangements to secure the delivery of infrastructure through developer contributions (CIL and section 106) and other funding sources in the borough. It also draws on experience from other charging authorities and the principles of administering the CIL and section 106 agreements set out in the government's Planning Practice Guidance ("PPG").

Context

- 3.2 The current system of securing developer contributions (Enfield CIL and section 106 agreements) has been in operation since April 2016, following the adoption of the Enfield CIL Charging Schedule and the Enfield Section 106 Supplementary Planning Document.
- 3.3 **Section 106 agreements (S106)** are used to mitigate the impacts of development (e.g. site-specific) and support the provision of services and infrastructure such as highways, recreational facilities, education, employment and skills, health and affordable housing in association with planning applications. Enfield's adopted S106 Supplementary Planning Document sets out how section 106 agreements will be secured through development (published in 2016 and available on the council's website).

Summary of main S106 spending during 2018/19	
£	Items of infrastructure
2.46 million	Affordable housing delivery as part of the council's estate renewal programme
1.2 million	School expansion projects identified in the pupil places capacity and delivery strategy
303,564	Various transport improvements around the borough
75,862	Parks improvements works
52,707	Air quality/sustainability measures

- 3.4 The **Enfield Community Infrastructure Levy (CIL)** is a tariff-based charge on most developments to help fund the delivery of infrastructure that is needed to support the borough's future growth. The Enfield CIL Charging Schedule sets out the rates on which the levy is based (depending on the extent of floorspace and the nature and location of the proposed development).

Enfield CIL income since 2016/17	
	Received in year
Year	£
2016/17	207,304.96
2017/18	502,858.61
2018/19	6,398,498.38

- 3.5 Unlike section 106 agreements, CIL is non-negotiable and can be levied on a much wider range of developments (although there are some exceptions, such as small-scale affordable housing and self-build projects).
- 3.6 In Enfield, CIL is divided into three parts:

Type	Percentage of total receipts	Commentary
Strategic	80%	Receipts can only be spent on capital projects to fund a wide range of infrastructure projects. However, funding is currently restricted to road and rail projects within the Meridan Water scheme (as identified in the “Regulation 123 List”).
Neighbourhood	15% (or up to 25% in a neighbourhood planning area)	Receipts can be spent on both capital projects and revenue projects, such as the maintenance of infrastructure. However, it does not have to be spent in the same area as the development.
Administration	5%	This covers administrative expenses (e.g. staff costs).

- 3.7 The Community Infrastructure Levy Regulations 2010 (as amended) (“CIL Regulations”) were revised in September 2019, with these amendments introducing greater flexibility in how CIL and S106 monies can be spent. Key changes include:
- removing the restriction on pooling and the number of section 106 agreements that can be used to fund projects or types of infrastructure (CIL and S106 income from any number of agreements can now be combined to fund the same infrastructure project or item);
 - removing the requirement to maintain and publish a list of infrastructure projects or items that will benefit from CIL funding (“Regulation 123 List”)¹; and
 - introducing new reporting requirements through the preparation of annual infrastructure funding statements to monitor CIL and S106 income and expenditure.
- 3.8 Enfield has been set challenging growth targets through the draft London Plan (2019) and National Planning Policy Framework (2019) (“NPPF”) to significantly increase the supply of new homes and jobs to meet the growing needs of population. Meeting these will require significant on-going investment aligned with the provision of infrastructure from a range of partners.
- 3.9 The new Local Plan will set out a framework through which developer contributions (CIL and S106) will be sought towards the provision of necessary infrastructure and services (including new schools, open spaces, transport improvements, health facilities and utilities) to support the planned growth of the borough up to 2036.
- 3.10 Careful planning and coordination will be required to ensure that sufficient funding is available from CIL, S106 and other sources (e.g. match funding) to facilitate the timely delivery of this infrastructure. CIL and S106 receipts are expected to increase over the

¹ The Regulation 123 List specified what Enfield’s CIL could be spent on.

next few years in response to rising levels of development. Spending levels will need to be closely monitored to take account of changing priorities and the phasing requirements of development.

- 3.11 Consequently, we need to put in place new governance and reporting arrangements to determine how CIL and S106 income will be spent and administered in the borough. In addition, we need to consult with local communities and stakeholders on how CIL monies should be spent at the neighbourhood level.

Proposed decision-making arrangements

- 3.12 The table below outlines the proposed governance structure through which decisions on the funding of infrastructure (CIL and S106 agreements) will be determined.

Decision making level	When	How
<p>Enfield Capital Programme – the process of allocating CIL income will be undertaken through the capital programme, as part of the annual budget-setting process.</p>	Annual	<p>The current capital programme covers a four-year period (2018/19-2021/22).</p> <p>As part of the annual refresh of the capital budget, specific projects will be identified to meet the spending priorities set out in the Enfield Corporate Plan (2018-2022), with focus on income-generation and match-funding opportunities.</p> <p>Projects will be scrutinised at the Capital Finance Board and then formally approved at Cabinet / Full Council.</p> <p>Once approved, projects will be added to the capital programme and published on the Forward Plan.</p>
<p>Strategic Infrastructure Delivery Board - a director-level group which will approve the allocation of CIL/S106 funding to support the delivery of strategic projects, in consultation with Corporate Finance</p> <p>Chair: Executive Director of Place</p>	<p>Quarterly</p> <p>CIL/S106 income and expenditure will be referred up to the board on a quarterly basis.</p> <p>Project leads will also be expected to report back on scheme delivery and the benefits arising to the Strategic Infrastructure Board.</p>	<p>Strategic CIL: Directorates and service areas will be invited to submit new projects to the Strategic Infrastructure Board.</p> <p>Recommendations will be reported to Cabinet and Full Council in January / March of each year (as part of the capital programme).</p> <p>Neighbourhood CIL: Decisions on spending will be discussed at the Strategic Infrastructure Board, with recommendations made to EMT as part of the annual budget setting process.</p> <p>Funding bids will be expected to show evidence of how the project or</p>

		<p>programme will meet the agreed selection criteria (based on identified priorities set out in the Corporate Plan and the Infrastructure Delivery Plan).</p> <p>Section 106: The Strategic Infrastructure Board will also scrutinise and approve S106 and joint-funded projects.</p> <p>Where appropriate, the Strategic Infrastructure Board will make recommendations to the lead member/portfolio holder and the Capital Finance Board to approve S106/CIL-funded projects in line with the scheme of delegation.</p>
<p>Infrastructure Delivery Steering Group – an officer-level group to discuss the allocation and distribution of S106 and CIL funds and other sources of funding</p> <p>Chair: Head of Strategic Planning & Design</p>	<p>Monthly (prior to Strategic Infrastructure Board meetings)</p>	<p>The Infrastructure Delivery Steering Group will discuss S106/CIL projects at the relevant stages of the planning process.</p> <p>Where a S106/CIL-funded project requires sign-off at director level and above, it will be referred to the Strategic Infrastructure Board.</p>

- 3.13 Decisions on the approval of projects will be made in line with the council's current decision-making procedures for capital and, where appropriate, revenue spend.

Allocation & distribution of Enfield's CIL

Strategic CIL

- 3.14 Over the past three financial years (2016-2017, 2017-2018 and 2018-2019), the entire strategic CIL allocation (circa £6.86 million) has been used to help fund the construction of the new Meridian Water station, in line with the requirements set out in the Regulation 123 List². The new station officially opened in June 2019³.
- 3.15 CIL funding is no longer restricted to the infrastructure items or projects identified in the Regulation 123 List (which has been now revoked following amendments to the regulations).
- 3.16 Instead, the council must now publish an annual infrastructure funding statement setting out the types of infrastructure and projects it intends to fund through the levy over the next reporting period (see appendix 1).

² The Regulation 123 List (April 2016) was limited to specific road and rail projects within the Meridian Water development.

³ 2016-2017, 2017-2018 and 2018-2019

- 3.17 CIL spending priorities will then be determined on an annual basis as part of the budget-setting process set out in the capital programme (taking account of the specific and cumulative needs arising from development) and in line with the emerging Infrastructure Delivery Plan (see paragraphs 3.33-35). For example, the capital budget agreed at Full Council in January 2020 has allocated £5 million from Enfield's 2019/20 CIL to match fund the Housing Infrastructure Fund (HIF) grant at Meridian Water. Going forward, spend on CIL will be determined through the capital programme aligned with corporate priorities.

Neighbourhood CIL

- 3.18 The neighbourhood portion of the Enfield CIL can be used to fund a wide range of projects that relate to the provision of infrastructure or address the demands arising from development in an area. Examples include but not limited to:
- cultural spaces and cafes;
 - youth facilities;
 - public realm works (e.g. street furniture);
 - drainage improvements (e.g. SUDS);
 - pedestrian and cycle routes;
 - community events (e.g. festivals and galas) in association with long term regeneration programmes (e.g. town centres);
 - community gardens/orchards;
 - skills and training hubs (e.g. digital technology); and
 - security measures to reduce crime and anti-social behaviour (e.g. CCTV).
- 3.20 Each year, local community groups and stakeholders (including service leads, ward councillors and elected members) will be invited to put forward proposed projects through a new Enfield Neighbourhood Fund that will be established later in 2020.
- 3.21 The recent report of the Enfield Poverty and Inequality Commission Poverty Commission (January 2020) has highlighted 27 measures to tackle Enfield's on-going deprivation and inequalities. The 27 recommendations of the report will form clear criteria for assessing and prioritising spending proposals. This in turn will feed into our corporate priorities and neighbourhood spend.
- 3.22 The administration of the Enfield Neighbourhood Fund (including the nature of the consultation on future priorities) and decisions on how this money is spent will be reported to Cabinet at a future date.

Allocation & expenditure of section 106 agreements

- 3.23 Section 106 contributions, once received, will be ringfenced to spend on the projects identified under the terms of the legal agreement. In most cases, a section 106 agreement specifies how the money collected from the development must be spent.
- 3.24 At the end of each financial quarter, service leads and directorates will seek to spend the funds in accordance with the terms of the section 106 agreements. Once approved, section 106 funding will be allocated for the spend purpose (which may include new open space provision, public transport improvements and education and health facilities) as specified in the agreement.

- 3.25 Many of these projects will be identified in the borough's emerging Infrastructure Delivery Statement and the annual capital programme. The Infrastructure Funding Statement (see appendix 1) identifies several of the key projects that will be funded through S106 agreements over the next reporting period.
- 3.26 Wherever possible, S106 contributions will be used alongside other sources of funding (including crowdfunding, levy receipts and government grants) to secure the delivery of a project or programme.

Reporting & monitoring

Enfield Infrastructure Funding Statement

- 3.27 Under the CIL regulations, local authorities must now publish an annual infrastructure funding statement (before 31 December in each calendar year) to report on the collection, allocation and spending of CIL and S106 contributions.
- 3.28 The (draft) Enfield Infrastructure Funding Statement (see appendix 1) sets out how CIL and section 106 income has been collected and spent over the past financial year (2018/2019) and how it will be spent over the year ahead (taking account of known and expected infrastructure costs and other potential sources of funding).

Enfield's emerging Infrastructure Delivery Plan

- 3.29 The Enfield Infrastructure Delivery Plan will provide the mechanism through which infrastructure projects will be identified and prioritised to support the growth requirements set out in the emerging Local Plan.
- 3.30 As part of the ongoing engagement process of the Local Plan, officers are working with relevant stakeholders (including infrastructure providers, neighbouring authorities and other relevant organisations) to determine the emerging priorities and projects through the Infrastructure Delivery Plan over the short, medium and long term.
- 3.31 The Infrastructure Delivery Plan will be updated annually alongside the Infrastructure Funding Statement to inform the capital programme and monitor the progress of projects and programmes.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Spending decisions on the use of developer contributions (CIL and section 106) could be determined at member level through a publicly accountable board (e.g. sub-committee). Another option would be to delegate spending decisions to the Executive Director of Place and/or the Leader of the Council/Portfolio Holder for Strategic Planning and/or Finance.
- 4.2 However, it would be more efficient and cost effective to administer CIL and S106 spending through existing governance structures and engagement processes, such as the capital programme and internal cross-directorate officer boards (as per government guidance⁴). This is the standard approach to CIL and S106 governance. A growing

⁴ National Planning Policy Guidance (Ministry of Housing, Communities & Local Government, 2019).

number of London boroughs (including Waltham Forest, Haringey and Harrow) are administering the allocation of CIL through the capital programme and annual budget process.

- 4.3 Other options considered include delegating the allocation of the neighbourhood portion to ward or parliamentary constituency level. However, the benefits of infrastructure also rarely adhere to ward or constituent boundaries. Spreading the funding across several wards or neighbourhoods would also limit the potential wider benefit of schemes and increase administration costs.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The council needs to develop transparent and accountable governance and reporting structures to decide how CIL/S106 income is spent and administered (see paragraph 3.12) in line with the CIL regulations.

- 5.2 This approach will be implemented to ensure that:

- the right infrastructure and land is delivered at the right time and in the right place to support the growth and regeneration of the borough (as per the requirements of the NPPF);
- decisions on the allocation of funding (CIL and S106) are transparent, accountable and based on robust and up-to-date evidence;
- adequate funding and resources are available to support the delivery of infrastructure and services (for example, through pooling contributions and match funding/income-generating opportunities);
- development remains viable across the borough to ensure that new jobs and homes can be delivered;
- infrastructure can be carefully planned through the masterplanning and phasing of development sites; and
- infrastructure spending is aligned with the strategic priorities and requirements set out in the new Local Plan, Corporate Plan and other relevant strategies.

Indicative timeline

Event	Indicative date
Cabinet approval – capital programme, decision-making structure & new reporting arrangements	February 2020
Full Council approval – capital programme	February 2020
Publication of the Enfield Infrastructure Funding Statement	March 2020
Ongoing engagement on the emerging Enfield Infrastructure Delivery Plan	March 2020
Cabinet approval to publish the Enfield Infrastructure Delivery Plan	Summer – Autumn 2020

6 COMMENTS OF OTHER DEPARTMENTS

Financial implications

Enfield's community infrastructure levy

- 6.1 CIL receipts can only be spent on capital projects, although associated revenue spending to maintain those capital items is also permissible.
- 6.2 It is the responsibility of the section 151 officer (Director of Finance) to ensure that decisions relating to the expenditure of Enfield's community infrastructure levy accords with the annual budget. CIL will be used as a resource to help finance the borough's capital programme based on priorities set out in the Corporate Plan in line with the regulations.
- 6.3 Enfield's CIL will be integrated with the medium-term financial strategy and budget setting process and formally allocated through the capital programme (before the end of each financial year).
- 6.4 Since its introduction in April 2016, Enfield's CIL has raised over £5.68 million towards the new railway station within the Meridian Water scheme. CIL receipts have increased year-on-year in response to major development schemes (commencement of planning permissions) and improved monitoring.
- 6.5 The level and timing of CIL funding will, however, depend on the nature and scale of the development, the number of implemented planning permissions, build-out rates, and the phasing of development etc. Due to the uncertainty over forecasting, the amount of CIL funding will be based on the total receipts collected from the previous financial year and any unspent receipts from previous financial years.
- 6.6 Enfield's CIL will be allocated through capital programme in the next financial year (2020/2021) as follows:

Type	Amount of projected funding*	Purpose	Note
Strategic	£2-4 million	<ul style="list-style-type: none"> To support the capital programme (including Meridian Water) 	<ul style="list-style-type: none"> Contributions will be sought towards the following items of infrastructure: Public realm improvements within estate regeneration schemes and town centres Sustainable transport (Cycle Enfield & highway maintenance) Road infrastructure (Meridan Water) Open spaces (cemeteries and burial space)

Neighbourhood	Up to £1 million ⁵	<ul style="list-style-type: none"> Funding has been ringfenced to spend on community projects and services 	<ul style="list-style-type: none"> Receipts from last three financial years remain unspent. The size of the fund could decrease in future years.
Administration	5% of total receipts	<ul style="list-style-type: none"> Services from planning and finance will be required to support the smooth running of the new arrangements and oversee the collection and management of Enfield's CIL. 	

⁵based on the current charging rates set out in the CIL Charging Schedule

- 6.8 Future projections (beyond the current capital programme) will be dependent on the outcome of the review of the Enfield CIL Charging Schedule undertaken to support the new Local Plan 2036. Enfield's charging rates will need to be updated to reflect the emerging infrastructure and growth requirements set out in the Local Plan (taking account of changing market conditions, such as increasing housing prices and the viability of development) in line with the regulations⁶:

Section 106 agreements

- 6.9 Unlike CIL, S106 agreements are subject to negotiation at the planning application stage. S106 income varies on a site-by-site basis depending on a range of factors, such as viability and site-specific considerations. This makes it difficult to forecast future S106 income and expenditure.
- 6.10 Both CIL and S106 spending will be reported on an annual basis through the Infrastructure Funding Statement (see appendix 1).

Legal implications

- 6.11 CIL monies can only be spent on infrastructure, as defined in the Planning Act 2008 (as amended), apart from the neighbourhood portion (15% of CIL monies if there is no adopted neighbourhood plan) which may also be spent on, in addition to infrastructure, anything else that is concerned with addressing the demands that development places on an area. Obligations can be obtained from section 106 agreements for any purpose, provided they comply with the requirements of section 106 of the Town and Country Planning Act 1990 (as amended) and regulation 122 of the CIL regulations. Monies and obligations pursuant to a section 106 agreement must be spent or provided in accordance with any contractual provisions contained therein.

⁵ This figure is based on the approximate amount of CIL collected (15% of all receipts) over the past three financial years (2016-2017, 2017-2018 and 2018-2019).

⁶ Any new charging rates will need to be subject to public consultation and independent examination in line with the requirements set out in the CIL regulations and planning policy guidance.

- 6.12 The CIL regulations have revoked the Regulation 123 List. The first annual infrastructure funding statement, noting what CIL receipts have been spent on and how it is intended they will be spent, must be published no later than 31st December 2020. For the financial year 2018/19, charging authorities must report on CIL it has collected, or any CIL collected on its behalf (as outlined in the PPG).
- 6.13 The infrastructure funding statement must include the details prescribed in schedule 2 of the CIL regulations. This will also include a section 106 report detailing monies and obligations pursuant to section 106 agreements, including affordable housing which is not defined as 'infrastructure' for CIL purposes. There is also now a requirement to publish an annual CIL rate summary each calendar year, no earlier than 2nd December and no later than 31st December, in relation to the next calendar year.
- 6.15 Clear and transparent governance mechanisms (CIL and section 106 agreements) will ensure robust and effective expenditure and reporting in line with the above requirements and ensure compliance with the CIL regulations and the NPPF/PPG to which the council must have regard.

Property implications

- 6.12 This report does not of itself commit the council to any expenditure on its property portfolio. Any related proposals with cost implications would need to be subject to separate reports and full financial appraisal.

7. KEY RISKS

Key risk	Action to mitigate
Lack of accountability/transparency: failure to disclose CIL/S106 income and expenditure activities	Produce and publish an infrastructure funding statement before 31 December of each calendar year (as per the CIL regulations)
Legislative: Risk of legal challenge from developers and landowners (due to non-compliance with the CIL regulations)	Ensure a new governance system is put in place to prioritise CIL and S106 receipts
Lack of adequate funding could adversely affect collection and allocation of CIL/S106 monies.	Ensure adequate resources are available to implement CIL/S106 governance in a timely manner in line with the regulations.
Failure to allocate sufficient funding could undermine the viability of development and inhibit the delivery of infrastructure	Ensure that decision-makers direct CIL/S106 income to delivery of critical infrastructure to support development
Community engagement and accountability: Neighbourhoods and stakeholders may not be given the opportunity to influence how the money is spent at the local level	Ensure all S106/CIL receipts are spent within set deadlines and on the projects identified in the legal agreement/capital programme.
Failure to implement these arrangements would undermine the ability of the council to effectively coordinate the provision and maintenance of infrastructure	Ensure effective decision-making structures/processes are in place to coordinate the future planning and delivery of infrastructure in parallel with the Local Plan.

8. IMPACT ON COUNCIL PRIORITIES

8.1 The approach to infrastructure funding and delivery set out in this report (including the proposed decision-making structure) has been developed to support the overarching priorities as set out in the Corporate Plan.

- **Good homes in well-connected neighbourhoods**

CIL/S106 income will be used to effectively plan and coordinate the delivery of infrastructure alongside new development (e.g. affordable homes) to meet the future needs of the borough.

- **Sustain strong and healthy communities**

CIL/S106 income will be spent in a way that supports development and the creation of sustainable and healthy communities set out in the Local Plan, especially in terms of the provision of new infrastructure (e.g. physical, social and community) and supporting services.

- **Build our local economy to create a thriving place**

CIL/106 income will make a significant positive contribution to infrastructure investment and place-making in the borough.

9. EQUALITY IMPACT IMPLICATIONS

9.1 Local authorities have a responsibility to meet the public-sector duty of the 2019 Equality Act. The act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when prioritising and spending S106/CIL income so that our decisions do not unduly or disproportionately affect access by some groups more than others. Corporate advice has been sought with regards to equalities and an agreement has been reached that an equalities impact assessment/analysis is not relevant or proportionate in this instance.

9.2 Equality issues will be addressed and integrated into the process of preparing the new Local Plan and the review of the CIL Charging Schedule through the Integrated Impact Assessment.

10. PERFORMANCE & DATA IMPLICATIONS

10.1 The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to best value and good performance management.

11. RESOURCES IMPLICATIONS

11.1 There are no notable human resource implications arising from this report.

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 Better and more effective coordination of infrastructure delivery and financing is vital to the future health and wellbeing of the borough. S106/CIL income will be used to address the impact of development (e.g. carbon offsetting) and secure adequate provision of infrastructure (including health and education facilities, green-grid connections and community facilities) to the support future needs of the borough.

APPENDICES:

Appendix 1 – Infrastructure Funding Statement

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Enfield Equality Impact Assessment (EqIA)

Introduction

The purpose of an Equality Impact Assessment (EqIA) is to help Enfield Council make sure it does not discriminate against service users, residents and staff, and that we promote equality where possible. Completing the assessment is a way to make sure everyone involved in a decision or activity thinks carefully about the likely impact of their work and that we take appropriate action in response to this analysis.

The EqIA provides a way to systematically assess and record the likely equality impact of an activity, policy, strategy, budget change or any other decision.

The assessment helps us to focus on the impact on people who share one of the different nine protected characteristics as defined by the Equality Act 2010 as well as on people who are disadvantaged due to socio-economic factors. The assessment involves anticipating the consequences of the activity or decision on different groups of people and making sure that:

- unlawful discrimination is eliminated
- opportunities for advancing equal opportunities are maximised
- opportunities for fostering good relations are maximised.

The EqIA is carried out by completing this form. To complete it you will need to:

- use local or national research which relates to how the activity/ policy/ strategy/ budget change or decision being made may impact on different people in different ways based on their protected characteristic or socio-economic status;
- where possible, analyse any equality data we have on the people in Enfield who will be affected eg equality data on service users and/or equality data on the Enfield population;
- refer to the engagement and/ or consultation you have carried out with stakeholders, including the community and/or voluntary and community sector groups you consulted and their views. Consider what this engagement showed us about the likely impact of the activity/ policy/ strategy/ budget change or decision on different groups.

The results of the EqIA should be used to inform the proposal/ recommended decision and changes should be made to the proposal/ recommended decision as a result of the assessment where required. Any ongoing/ future mitigating actions required should be set out in the action plan at the end of the assessment.

Section 1 – Equality analysis details

Title of service activity / policy/ strategy/ budget change/ decision that you are assessing	Update to current Strategic Community Infrastructure Levy Spending Priorities
Team/ Department	Infrastructure Planning Team, Strategic Planning and Design Planning Service, Place Department
Executive Director	Sarah Cary, Executive Director for Place
Cabinet Member	Cllr Nesil Caliskan, Leader of the Council
Author(s) name(s) and contact details	Hayley Harding, Infrastructure Delivery Officer Hayley.Harding@enfield.gov.uk
Committee name and date of decision	Cabinet, 14th December 2022

Date the EqIA was reviewed by the Corporate Strategy Service	TBC
Name of Head of Service responsible for implementing the EqIA actions (if any)	Helen Murch, Head of Strategic Planning and Design
Name of Director who has approved the EqIA	TBC

The completed EqIA should be included as an appendix to relevant EMT/ Delegated Authority/ Cabinet/ Council reports regarding the service activity/ policy/ strategy/ budget change/ decision. Decision-makers should be confident that a robust EqIA has taken place, that any necessary mitigating action has been taken and that there are robust arrangements in place to ensure any necessary ongoing actions are delivered.

Section 2 – Summary of proposal

Please give a brief summary of the proposed service change / policy/ strategy/ budget change/project plan/ key decision

Please summarise briefly:

What is the proposed decision or change?

What are the reasons for the decision or change?

What outcomes are you hoping to achieve from this change?

Who will be impacted by the project or change - staff, service users, or the wider community?

This EqIA covers the implications with regards to public sector Equalities Duty of approving the revised Strategic Community Infrastructure Levy spending priorities.

The Enfield Community Infrastructure Levy (LBE CIL) is collected and apportioned into three funding pots, as set out in the Community Infrastructure Regulations:

- Strategic CIL (SCIL) (85%)
- Neighbourhood CIL (NCIL) (15%); and,
- Administrative CIL (CIL Admin) (5%)

The Council collects the Community Infrastructure Levy (CIL) from liable developments in its area, the collection of the levy includes both Enfield CIL (LBE CIL) and Mayoral CIL(MCIL). The review of spending priorities applies only to the strategic portion of Enfield CIL as the council does not have input on how MCIL receipts are spent.

The proposed change relates to revisions to the current four spending priorities, published in the Infrastructure Funding Statement 20/21, that guide Strategic CIL allocation and spend on infrastructure projects that are to be delivered directly by the council.

It is recommended that these spending priorities should be updated to better align with the new Labour Manifesto pledges and capital programme.

The outcomes of the revisions to the current spending priorities should be to broaden the type and location of infrastructure projects that can be funded within the borough by Strategic CIL, supporting the accelerated delivery of infrastructure projects to mitigate the impact of development within the borough and reduce council borrowing.

The changes to the spending priorities will impact the wider community by supporting infrastructure delivery across the borough. The current priorities are town centre focused, the revised priorities broaden the geographical reach beyond town centres. The aim of Strategic CIL spending is to ensure that infrastructure

comes forward to mitigate against the impact of development which should benefit existing and new communities in within Enfield.

The draft spending priorities for the strategic portion of the Enfield Community Infrastructure Levy are:

- a) Investment green and blue infrastructure across the borough
- b) Investment in health, sport and leisure infrastructure across the borough
- c) Investment in public realm and environmental improvements across the borough, but especially in areas of regeneration and locations of commercial and industrial activity
- d) Upgrades to the cultural and community facilities across the borough
- e) Invest in sustainable transport infrastructure across the borough
- f) Invest in education facilities to support skills development and job training

Section 3 – Equality analysis

This section asks you to consider the potential differential impact of the proposed decision or change on different protected characteristics, and what mitigating actions should be taken to avoid or counteract any negative impact.

According to the Equality Act 2010, protected characteristics are aspects of a person's identity that make them who they are. The law defines 9 protected characteristics:

1. Age
2. Disability
3. Gender reassignment.
4. Marriage and civil partnership.
5. Pregnancy and maternity.
6. Race
7. Religion or belief.
8. Sex
9. Sexual orientation.

At Enfield Council, we also consider socio-economic status as an additional characteristic.

“Differential impact” means that people of a particular protected characteristic (eg people of a particular age, people with a disability, people of a particular gender, or people from a particular race and religion) will be significantly more affected by the change than other groups. Please consider both potential positive and negative impacts, and provide evidence to explain why this group might be particularly affected. If there is no differential impact for that group, briefly explain why this is not applicable.

Please consider how the proposed change will affect staff, service users or members of the wider community who share one of the following protected characteristics.

Detailed information and guidance on how to carry out an Equality Impact Assessment is available [here](#). (link to guidance document once approved)

Age

This can refer to people of a specific age e.g. 18-year olds, or age range e.g. 0-18 year olds.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people of a specific age or age group (e.g. older or younger people)?

Please provide evidence to explain why this group may be particularly affected.

According to the 2021 Census, Enfield's population in March 2021 was estimated to be 330,000 (rounded to the nearest hundred).¹

Age breakdown of Enfield's population

Age group	Enfield population
0-4	21,300
5-9	22,800
10-14	24,100
15-19	21,300
20-24	19,100
25-29	21,200
30-34	23,100
35-39	24,000
40-44	24,600
45-49	22,700
50-54	22,700
55-59	21,100
60-64	17,100
65-69	12,800
70-74	11,200
75-79	8,200
80-84	6,500
85+	6,400

The proposed changes are expected to have a positive impact on all age groups by broadening the type and location of infrastructure projects eligible to apply for Strategic CIL funding, delivering a variety of infrastructure projects to mitigate against the impact of development in an area. Any positive benefits related to projects in receipt of SCIL funding should be captured as a part of the project specific Equality Impact Assessment to be completed by the relevant Project Manager (Project owner).

¹ ONS, [Population and household estimates, England and Wales: Census 2021](#)

No negative impacts on protected age groups are anticipated and there is nothing proposed within the revised spending priorities to disadvantage one age group over another.

Air pollution

Young people are particularly vulnerable to the effects of air pollution. Long-term exposure to negative air quality can lead to reduced lung development, asthma, development problems and more wheezing and coughs in younger people.² Older people are also more vulnerable to the adverse effects of air pollution, partly because they are more likely to have multiple long-term conditions occurring at the same time. Exposure to air pollution is also associated with accelerated cognitive decline in older people and the increased risk of stroke.³

The proposed spending priority to invest in sustainable transport infrastructure across the borough seeks to support projects that will increase the use of sustainable transport options, encouraging sustainable transport in the borough supports the aims to reduce emissions and improve air quality which will benefit all residents but specifically young people who are vulnerable to the effects of air pollution.

Physical activity and childhood obesity

Children aged five to 18 are recommended to do at least 60 minutes of moderate intensity activity each day. In 2020/21, 31.8% of children and young people in Enfield were physically active, significantly lower than London (44.4%) and England (44.6%) averages.⁴ In 2019/20, 27% of children in Year 6 in Enfield were classified as obese, higher than London (23.7%) and national (21%) averages.⁵

As set out above, the activity and health of children in the borough compares less favourably than the London and National statistics. Therefore, the proposed spending priority to invest in health, sport and leisure infrastructure should specifically be off benefit to improving the health of children and young people in the borough.

Youth unemployment

People aged 35 and under in the borough are more likely to be unemployed than

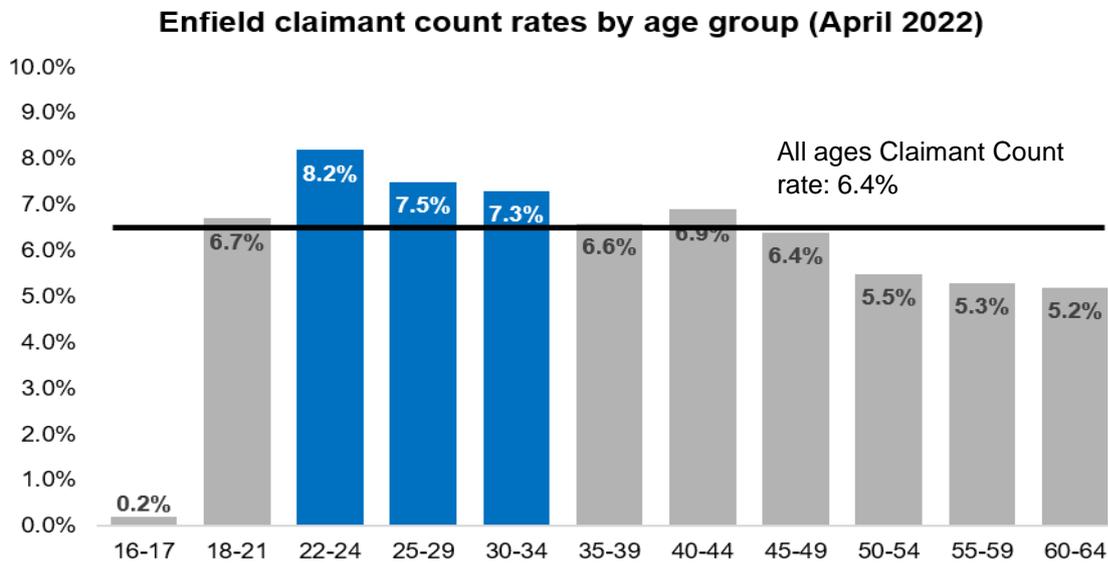
² Public Health England, [Health matters: air pollution](#), 2018

³ Impact on Urban Health, [Air pollution and older people](#)

⁴ Office for Health Improvement & Disparities, [Percentage of physically active children and young people](#), 2020/21

⁵ Office for Health Improvement & Disparities, Local Authority Health Profile, [Year 6: Prevalence of obesity](#), 2019/20

other age groups. People aged 22 to 24 are the most likely to be unemployed with a claimant count rate of 8.2.



The proposed spending priority to invest in education facilities to support skills development and job training should directly benefit people under 25. With the 22-24 age group most likely to be unemployed, projects that deliver opportunities supporting skills development and job training will be of benefit to this specific age group and aim to reduce levels of unemployment.

Mitigating actions to be taken

The six revised SCIL spending priorities aim to support the delivery of a wide range of infrastructure projects across the borough to meet the various needs of the borough's communities. Each project applying for SCIL funding should have undergone its own EqIA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Disability

A person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on the person's ability to carry out normal day-day activities.

This could include: physical impairment, hearing impairment, visual impairment, learning difficulties, long-standing illness or health condition, mental illness, substance abuse or other impairments.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people with disabilities?

Please provide evidence to explain why this group may be particularly affected.

At the 2011 Census, 47,979 Enfield residents (15.4% of the total) reported a long-term health problem or disability in response to the question, “Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?”. Respondents were invited to indicate the level to which their activities were limited. 52.5% of people with a disability or long-term health problem were of working age (16-64 years), with 43% of the total being aged over 65 years. The proposed changes are not expected to negatively impact on those with a disability.

More recent data on disability among the working age population estimated that in the year ending December 2020, 52,700 (nearly 25%) Enfield residents aged 16-64 had a disability, higher than London (17.9%) and England (22.4%).⁶

Employment

Disabled people in Enfield face lower levels of employment. In 2020/21, it is estimated that 38.2% of disabled people in Enfield were in employment, lower than London (55.1%) and national (55%) averages. People affected by disability have an employment rate that is 32.6 percentage points lower than that of people who are not affected by disability.⁷ In the UK, disabled people with severe or specific learning difficulties (26.2%) and autism (29.0%) had the lowest employment rates.⁸

In 2020/21, disabled people in the UK were more likely (11.3%) than non-disabled people (8.7%) to be employed in elementary occupations and were less likely to work in the three highest-skilled occupations. Disabled people were also more likely to work part-time (32.5%) than non-disabled people (21.8%).⁹

Education

In the UK disabled people aged 21 to 64 years were almost three times as likely to have no qualifications (13.3%) than non-disabled people (4.6%). Disabled people aged 21 to 64 years were also more likely to have GCSE grades C and higher as their highest form of qualification (23.3%), in comparison with non-disabled people (17.4%).¹⁰

The spending priority to invest in education facilities to support skills development and job training aims to have a beneficial impact on this groups where

⁶ Enfield Council, [Borough Profile](#), 2021

⁷ Department for Work and Pensions, [The employment of disabled people](#), 2021. N.B. At a local authority level the confidence intervals for this data are quite broad due to the relatively small sample sizes.

⁸ ONS, [Outcomes for disabled people in the UK](#), 2021

⁹ ONS, [Outcomes for disabled people in the UK](#), 2021

¹⁰ ONS, [Outcomes for disabled people in the UK](#), 2021

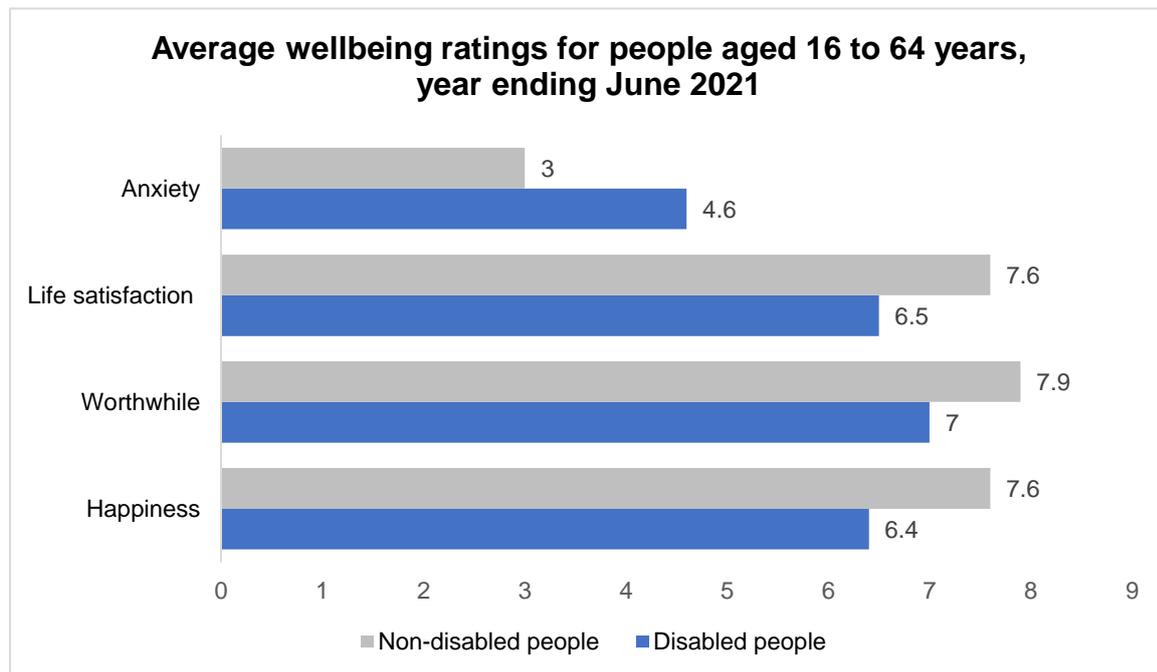
unemployment is high and educational attainment is lower as set out in the data above. The details of projects that might apply for SCIL funding are not known but applications will be expected demonstrate how this group may be impacted and employment and educational outcomes improved as a part of the application process for funding.

Mental health and wellbeing

According to national data from 2021, on average disabled people aged 16 to 64 years had poorer ratings than non-disabled people on all four personal wellbeing measures, with the greatest disparity in average anxiety levels.¹¹

The four personal wellbeing measures are as follows:

- Life satisfaction (out of 10, higher numbers equal better wellbeing)
- Feeling that the things done in life are worthwhile (out of 10, higher numbers equal better wellbeing)
- Happiness yesterday (out of 10, higher numbers equal better wellbeing)
- Anxiety yesterday (out of 10, higher numbers equate to poorer wellbeing)



According to national data from 2020/21, loneliness was significantly higher for people with a limiting long-term illness or disability. 41% of people with a limiting long-term illness or disability reported feeling lonely 'often/always' or 'some of the

¹¹ ONS, [Outcomes for disabled people in the UK](#), 2021

time', compared to 21% for people without a limiting long-term illness or disability.¹²

The spending priority to upgrade cultural and community facilities across the borough should benefit disabled groups, while the specific projects applying for SCIL funds are not known, cultural and community facilities play an important role as places to meet and socialise, tackling loneliness and isolation which is noted as being significantly higher within this group.

Mitigating actions to be taken

The six revised SCIL spending priorities aim to support the delivery of a wide range of infrastructure projects across the borough to meet the various needs of the borough's communities. Each project applying for SCIL funding should have undergone its own EqIA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Gender Reassignment

This refers to people who are proposing to undergo, are undergoing, or have undergone a process (or part of a process) to reassign their sex by changing physiological or other attributes of sex.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on transgender people?

Please provide evidence to explain why this group may be particularly affected.

Detailed statistics around the proportion of residents in Enfield who are proposing to undergo, are undergoing, or have undergone a process (or part of a process) to reassign their sex are not currently available, albeit national statistics indicate this could be as high as 1% of residents. The proposed priorities are not expected to impact materially on this protected group.

Mitigating actions to be taken

The six revised SCIL spending priorities aim to support the delivery of a wide

¹² Department for Digital, Culture, Media & Sport, [Community Life Survey](#), 2020/21

range of infrastructure projects across the borough to meet the various needs of the borough's communities. Each project applying for SCIL funding should have undergone its own EqlA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Marriage and Civil Partnership

Marriage and civil partnerships are different ways of legally recognising relationships. The formation of a civil partnership must remain secular, where-as a marriage can be conducted through either religious or civil ceremonies. In the U.K both marriages and civil partnerships can be same sex or mixed sex. Civil partners must be treated the same as married couples on a wide range of legal matters.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people in a marriage or civil partnership?

Please provide evidence to explain why this group may be particularly affected.

The proposals are not expected to have an impact on those who are married or in a civil partnership.

Mitigating actions to be taken

None. The proposals are considered to have a positive impact on all groups referred to above. Each project applying for SCIL funding should have undergone its own EqlA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Pregnancy and maternity

Pregnancy refers to the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on pregnancy and maternity?

Please provide evidence to explain why this group may be particularly affected.

The proposals are not expected to have a negative impact on those who are pregnant or in the maternity period.

There is a growing body of evidence that links maternal exposure to air pollution and adverse pregnancy outcomes such as miscarriage, low birth weight and pre-term birth.¹³

The spending priority to invest in green and blue infrastructure and sustainable transport infrastructure across the borough could support infrastructure delivery that will benefit this specific group with sustainable transport measures aiming to reduce transportation emissions across the borough and therefore reducing levels of air pollution.

Mitigating actions to be taken

None. The revised spending priorities are considered to have a positive impact on all groups noted above. Each project applying for SCIL funding should have undergone its own EqlA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Race

This refers to a group of people defined by their race, colour, and nationality (including citizenship), ethnic or national origins.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people of a certain race?

Please provide evidence to explain why this group may be particularly affected.

Based on Enfield's own estimates, residents from White British backgrounds make up 35.3% of Enfield's inhabitants with other White groups (including White Irish) combined at 26.4%. Mixed Ethnic Groups account for 5.5%, Asian Groups for 11.0% and Black groups for 17.9% of Enfield's population.

National statistics highlight that unemployment is higher among people from ethnic minority backgrounds.¹⁴ The introduction of a new Strategic Spending Priority to

¹³ Royal College of Obstetricians and Gynaecologists, [Outdoor air pollution and pregnancy in the UK](#), June 2021

¹⁴ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusbyethnicgroupa09>

Invest in education facilities to support skills development and job training is expected to have a positive effect on communities disproportionately affected by unemployment where applications for projects meeting this spending priority are successful in securing SCIL funding.

Air pollution

According to analysis by the Greater London Authority (GLA), areas in London where people from a non-white¹⁵ background are more likely to live are more likely to have higher levels of air pollution. In 2019, annual average concentrations of nitrogen dioxide were on average between 16 and 27 per cent higher in areas where non-white people were most likely to live compared with areas where white people were most likely to live.¹⁶

The proposed spending priority to invest green and blue infrastructure and sustainable transport infrastructure across the borough seeks to support projects that will increase the use of sustainable transport options, encouraging sustainable transport in the borough supports the aims to reduce emissions and improve air quality. This aims to benefit all residents but should specifically benefit people from a non-white background in Enfield who are most likely to be impacted by living in areas with higher levels of air pollution.

Access to green space

National research highlights inequality in access to green space. A survey carried out by walking charity Ramblers and YouGov in 2020 found that people who identify as being from a Black, Asian or minority ethnic background (39%) are less likely to live within a 5-minute walk of a green space than people from White ethnic backgrounds (58%).¹⁷ People from Black, Asian or minority ethnic backgrounds (46%) also reported being less likely to have a variety of different green spaces within walking distance of where they live than people from White ethnic backgrounds (58%).

The proposed spending priority to invest in green and blue infrastructure across the borough will support the Council to improve and increase access to higher quality greenspace in the borough. This should in benefit groups where access to green and blue infrastructure is limited. While specific project applications for SCIL funding and locations in the borough cannot be known at this stage it is expected that projects shall demonstrate how people from Black, Asian or minority

¹⁵ Several terms are routinely used by government departments, public bodies and the media to refer to the collective ethnic minority population. This report reflects the language and terminology originally used in the studies to which we refer. However, we fully recognise the importance of the heterogeneity within these terms.

¹⁶ Greater London Authority, [Air Pollution and Inequalities in London: 2019 update](#), 2021

¹⁷ Ramblers, [The grass isn't greener for everyone: Why access to green space matters](#), 2020

ethnic backgrounds are likely to benefit from the project to be delivered, in general projects must demonstrate how they mitigate the impact of development in the borough and the demands placed on infrastructure by development led population growth.

Mitigating actions to be taken

None. The revised spending priorities are considered to have a positive impact on all groups noted above. Each project applying for SCIL funding should have undergone its own EqlA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Religion and belief

Religion refers to a person's faith (e.g. Buddhism, Islam, Christianity, Judaism, Sikhism, Hinduism). Belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who follow a religion or belief, including lack of belief?

Please provide evidence to explain why this group may be particularly affected.

The revised spending priorities include provision for upgrades to cultural and community facilities across the borough to mitigate the impact of development led population growth in its area, this may include multifaith spaces depending on the project applications for Strategic CIL.

Mitigating actions to be taken

None. The revised spending priorities are considered to have a positive impact on all groups noted above. Each project applying for SCIL funding should have undergone its own EqlA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Sex

Sex refers to whether you are a female or male.

Will this change to service/policy/budget have a **differential impact [positive or**

negative] on females or males?

Please provide evidence to explain why this group may be particularly affected.

In 2020, 50.5% of the population was female and 49.5% was male. Males outnumber females in every individual year of age up to 27 years, with women outnumbering men in virtually every age thereafter.

According to data from March 2022, more women (27%) than men (16%) reported they had experienced at least one form of harassment in the previous 12 months.¹⁸ The revised and updated SCIL spending priorities includes Investment in public realm and environmental improvements across the borough, but especially in areas of regeneration and locations of commercial and industrial activity. While improvements will be determined on a project by project basis it is anticipated that this will support and encourage the provision of a safer public realm and a positive impact is anticipated in terms of women's safety as a result.

Mitigating actions to be taken

There is nothing in the revised Strategic CIL spending priorities that will benefit or disadvantage either group over the other. As set out above, a positive impact in terms of women's safety is identified in terms of projects that might come forward to deliver public realm improvements. Each project applying for SCIL funding should have undergone its own EqIA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Sexual Orientation

This refers to whether a person is sexually attracted to people of the same sex or a different sex to themselves. Please consider the impact on people who identify as heterosexual, bisexual, gay, lesbian, non-binary or asexual.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people with a particular sexual orientation?

Please provide evidence to explain why this group may be particularly affected.

There is no reliable data available on this protected characteristic on a ward basis or borough wide basis. However, emerging experimental statistics relating to

¹⁸ ONS, [Perceptions of personal safety and experiences of harassment, Great Britain](#): 16 February to 13 March 2022

sexual identity are available nationally and at a regional level. In 2016, estimates from the Annual Population Survey (APS) showed that 93.4% of the UK population identified as heterosexual or straight and 2.0% of the population identified themselves as lesbian, gay or bisexual (LGB). This comprised of:

- 1.2% identifying as gay or lesbian
- 0.8% identifying as bisexual
- A further 0.5% of the population identified themselves as “Other”, which means that they did not consider themselves to fit into the heterosexual, bisexual, gay or lesbian categories

Therefore, assuming that the proportion of lesbian, gay and bisexual people in Enfield lies somewhere between the London and England average, the number would be between 9,000 and 12,700.¹⁹

The proposals are not expected to have a negative impact on this protected characteristic.

Mitigating actions to be taken

No impacts are expected under this protected characteristic. Each project applying for SCIL funding should have undergone its out EqlA prior to making an application for funding to ensure public sector Equality Duty is met on a project by project basis.

Socio-economic deprivation

This refers to people who are disadvantaged due to socio-economic factors e.g. unemployment, low income, low academic qualifications or living in a deprived area, social housing or unstable housing.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who are socio-economically disadvantaged?

Please provide evidence to explain why this group may be particularly affected.

According to research undertaken by Transport for London in 2019, the most commonly used form of transport for Londoners with lower household incomes (below £20,000) is walking. The bus is the next most commonly used form of transport with 69% of people with lower household incomes taking the bus at least once a week compared to 59% of all Londoners. Investment in active travel would therefore be expected to have a positive impact as it will make walking and cycling

¹⁹ Enfield Council, [Borough Profile](#), 2021

more convenient and safer, alongside good public transport routes.

The spending priorities seek to support the allocation of SCIL to infrastructure with:

1. Investment in green and blue infrastructure across the borough.
2. Investment in health, sport and leisure infrastructure across the borough.
3. Investment in public realm and environmental improvements across the borough, but especially in areas of regeneration and locations of commercial and industrial activity.
4. Upgrades to the cultural and community facilities across the borough.
5. Invest in sustainable transport infrastructure across the borough
6. Invest in education facilities to support skills development and job training

The revised spending priorities should enable a greater range of infrastructure projects seeking SCIL funding to come forwards that will mitigate against the impact of development and address inequalities in the borough related to socio-economic deprivation.

Air pollution

According to an analysis commissioned by Greater London Authority argues that communities which have higher levels of deprivation are more likely to be exposed to higher levels of air pollution. In 2019, the mean annual average NO₂ concentration for the most deprived areas was 3.8 µg/m³, 13% higher than for the least deprived areas.²⁰

The spending priorities to invest in green and blue infrastructure and sustainable transport infrastructure across the borough should enable investment in projects that will address improvements to air quality in the borough, the location of projects that seek SCIL funding are unknown at this stage but are expected to demonstrate how they will address socio-economic inequalities in the borough.

Enfield has historically had lower employment and economic activity rates than London and UK. *Unemployment*

As of April 2022, 6.4% of Enfield's working-age population are officially unemployed, higher than London (5.1%) and UK (4.0%) averages.²¹ Enfield's unemployment rate is the sixth highest of the 33 London boroughs.

Unemployment is estimated to be highest in the five wards of Lower Edmonton (10%), Edmonton Green (9.6%), Ponders End (9.1%), Haselbury (8.4%) and Upper Edmonton (8.2%).²² Unemployment rates are estimated to be lowest in Bush Hill Park (2.9%), Grange Park (3%), Town (3.3%), Oakwood (3.5%) and

²⁰ Logika Noise Air Quality Consultants, [Air Pollution and Inequalities in London: 2019 update](#), 2021

²¹ Enfield Council, Knowledge and Insight, May 2022

²² Enfield Council, May 2022

Arnos Grove (3.6%).

Investment in education facilities to support skills development and job training should benefit Enfield residents and specifically those who are unemployed. The location of projects that may seek SCIL funding to secure project delivery is not yet known but are expected to demonstrate how they will address socio-economic inequalities in the borough.

Health inequalities

Health inequalities exist between the east and west of the borough. As of 2021, a man living in Upper Edmonton can expect to live 7.3 years less than a man living in Grange ward. A woman living in Upper Edmonton can expect to live 8.5 years less than a woman living in Highlands ward.²³

As of 2021, a man living in Edmonton Green can expect to live 12.4 years less in good general health than a man living in Grange ward. A woman living in Edmonton Green can expect to live 13.9 years less in good general health than a woman living in Grange ward.

All proposed spending priorities aim to support investment for a broader range of infrastructure projects across the borough with the aim of enhancing Enfield as a place to live while also addressing and improving current inequalities and life chances within the borough.

Mitigating actions to be taken.

There is nothing within the revised SCIL spending priorities that is expected to negatively impact on socio-economic deprivation. Each project applying for SCIL funding should have undergone an EqIA prior to making an application for funding to ensure the public sector Equality Duty is met on a project by project basis.

Section 4 – Monitoring and review

How do you intend to monitor and review the effects of this proposal?

Who will be responsible for assessing the effects of this proposal?

²³ ONS, [Life expectancy by census ward](#). N.B. data is not yet available for the new wards

Projects put forward for SCIL funding must be approved for delivery and signed off by the Director of the relevant service prior to making an application to the Infrastructure Planning Team. It is expected an EqlA will have been undertaken as a part of the Council's processes for the project to have been approved for delivery.

Project Managers must submit a proforma to the Infrastructure Planning Team. The proforma is used to assess a projects suitability for strategic CIL funding and ongoing monitoring for compliance. The proforma asks the applicant to submit information on equality analysis, this should include confirmation that an Equality Impact Assessment has been undertaken and updated as necessary.

All allocations and spend in relation to SCIL is reported on an annual basis and much be made publicly available by the 31st December of each year under the current CIL Regulations (2010) which gives transparency to the type of and location of projects that have recieved Strategic CIL.

Section 5 – Action plan for mitigating actions

Any actions that are already completed should be captured in the equality analysis section above. Any actions that will be implemented once the decision has been made should be captured here.

Identified Issue	Action Required	Lead officer	Timescale/By When	Costs	Review Date/Comments

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**London Borough of Enfield
Cabinet**

Meeting date: 14th December 2022

Subject: HRA Revenue and Capital Programme Monitor Quarter 2

**Cabinet Member: Councillor George Savva (Social Housing)
Councillor Tim Leaver (Finance & Procurement)**

Executive Director: Joanne Drew (Acting)

Key Decision: KD5498

Purpose of Report

1. To provide an update on the current forecast outturn position of the Housing Revenue Account (HRA), covering both revenue and capital expenditure associated with delivering the Council's Housing service.
2. The overall forecast monitoring position is based on information known as at the end of September 2022.

Executive Summary

3. The HRA is achieving the Council's objectives through the development of new affordable homes, providing good homes in well-connected neighbourhoods, improving existing housing stock to create a lifetime of opportunities in Enfield, and sustaining strong and healthy communities.
4. The purpose of the report is to provide an overview of the 2022-23 forecast outturn position at Quarter 2, for the Housing Revenue Account (HRA) for the Capital and Revenue programmes.
5. This report sets out the Council's estimated revenue expenditure compared to the budget; this is called the "outturn" (a local government phrase which means the total net expenditure for the financial year). This is a ring-fenced budget which includes all operating income (e.g. housing rent) and costs (e.g. housing officers, grounds or lift maintenance of housing estates or block cleaning) for Council housing.
6. The HRA revenue budget, is forecasting a pressure of £1.29m against the approved budget. The variations to budget are as follows:
 - a. Energy inflation is expected to generate a budget pressure of £0.80m before taking account of earmarked energy reserves.
 - b. Costs associated with the policing service on our estates to support community safety and crime reduction has seen a reduction of £0.50m this quarter, this is due to ongoing recruitment challenges.
 - c. Repairs expenditure, this service is experiencing inflation and sub-contractor pressures and is estimated to have a budget shortfall of £0.47m before taking account of earmarked repairs reserves

- d. The bad debt contribution has reduced by £0.40m this quarter as the provision we have is adequate to cover the current arrears levels
 - e. Interest rates on PWLB borrowing to support the capital programme have risen significantly from 3.5% to 4.5%, which has increased the interest cost of borrowing by £0.66m
 - f. Reduction in rental income due to delays in the handover of new build properties and an increase in void rate from 1.5% to 2% has reduced the rental income expected this year by £0.33m
 - g. Garage and community halls lettings have increased slightly this year which has seen an increase in the expected level of rental income by £0.06m.
 - h. Since setting the budget the HRA reserves position has reduced as reported in the outturn report. However due to the increase in interest rates from 0.75% to 1% on our reserves this has slightly increased the interest receivable on the HRA reserves by £0.01m this year.
7. On capital, the Council's Housing Revenue Account is forecast to spend £125.1m against the approved budget of £134.2m. The capital programme includes building and maintaining Council homes (e.g. fire safety works, replacement of bathrooms and building new homes). This is funded from grant, capital receipts and borrowing. The interest on borrowing is paid for from the Housing Revenue Account, essentially from Council housing rental income.
8. This year we are investing in existing Council homes to:
- a. comply with the requirements of the Building Safety Act and the Fire Safety Act
 - b. comply the requirements of the Decent Homes Standard
 - c. improve energy and thermal efficiency
 - d. to address statutory requirements (other than building investment and decency) including Water Safety and Lift Replacement
9. We are developing new Council homes:
- a. Bullsmoor Lane (31 new homes) being progressed by Modern Methods of Construction (MMC) with start on site due in late November 2022. Dendridge Close has been withdrawn from MMC route with the budget to be used to purchase 27 units from Meridian Water.
 - b. Bury Street West (50 new homes, 25 affordable rented and 25 private sales) - construction works are ongoing with expected completion in January 2023.
 - c. Reardon Court (70 units) preparation works have commenced on site and the main build commenced in September 2022
 - d. Joyce and Snells - A planning application has been submitted and procurement for a Pre-contract Services Agreement to enable works to commence prior to construction, subject to an overall viability assessment.
 - e. Upton and Raynham (130 homes) – the forecast outturn has been reduced this year as contract award has been delayed due to further negotiations. Due to the current climate this scheme is being reviewed and options of how to progress this scheme are being considered.
 - f. Exeter Road (130 new homes) - Due to the current climate (inflationary pressures) this scheme is being reviewed and options of how to progress this scheme are being considered.

- g. In addition, negotiations to acquire units at Meridian Water and Alma Estate are in progress, this will provide 149 new affordable homes and generate long term rental income.
- 10. The report provides an update on the forecast position for the level of HRA reserves as at the end of financial year 2022/23.

Proposals

- 11. Cabinet is recommended:
- 12. To note the Quarter 2 HRA forecast outturn position for 2022/23 for both revenue and capital.

Relevance to the Council's Corporate Plan

- 13. The overarching aim of the Capital Programme is to provide a framework within which the Council's investment plans can be delivered.
- 14. The strategy for Council Housing is set out in the Housing and Good Growth Strategy which supports the Corporate Plan 2018-2022. The objectives are to:
 - a. Deliver good homes in well-connected neighbourhoods
 - b. Sustain strong and healthy communities
 - c. Build our local economy to create a thriving place
- 15. The Corporate plan also identifies 3 guiding principles, which underpin these objectives and govern how the Council communicates with residents, works with residents and works as efficiently as possible, including increasing resident access to digital services and transactions.

Background

- 16. The principle of maintaining a financially sustainable Housing Revenue Account and Capital programme are imperative in the context of an ambitious housing development programme. On 24th February 2022, the 2022/23 budget for both the revenue and the capital programme was set by Council.
- 17. The revenue budget covers operational or more day to day expenditure whereas the capital budget covers long term investment in Council housing assets.
- 18. The Council's Capital Programme is regularly reviewed, and monitoring reports are submitted to Cabinet on a quarterly basis. The Council continually strives to maximise external grants and contributions and attract new income streams to fund projects wherever possible and minimise the need to borrow.
- 19. This report is set out in three sections:
 - a. HRA Revenue budget

b. HRA Capital Programme

c. HRA Reserves

Main Considerations for the Council

20. This year we continue to experience a range of issues that have an impact on the strategy, priorities and outcomes for the service. This report provides an update on the revenue and capital outturn projections.

Revenue Forecast Outturn

21. The HRA revenue account is forecasting a pressure of £1.29m against the approved budget.

22. Table 1 below shows the forecast outturn position and total variances against budget. The movements are explained below and shown in detail in Appendix A.

Table 1 – Summary of the HRA Forecast Outturn

Council Housing (HRA) Revenue Monitor 2022-23	Budget	Actuals to date	Forecast Outturn	Variance
Supervision and Management	22.45	4.14	22.75	0.30
Repairs Admin & Base	13.73	7.96	14.20	0.47
Rates	0.59	0.00	0.59	0.00
HRA Surplus (to fund Capital)	9.09	0.00	9.09	0.00
Bad Debt Provision	0.61	0.00	0.21	-0.40
Capital Financing	22.27	0.00	22.93	0.66
Corporate & Democratic Core	0.14	0.00	0.14	0.00
Gross Expenditure	68.88	12.10	69.91	1.03
Rents Dwellings	-60.50	-24.10	-60.16	0.33
Rents Non-Dwellings	-3.13	-2.10	-3.19	-0.06
Interest on HRA Balances	-0.19	0.00	-0.19	-0.01
Leaseholders Service Charges	-5.07	-7.92	-5.07	0.00
Gross income	-68.88	-34.12	-68.62	0.26
Total	0.00	-22.02	1.29	1.29

Supervision and Management (£0.30m shortfall)

23. Energy (£0.80m shortfall)

24. It is well known that the cost of energy has been on the increase for some time. As most will know, we procure our energy through LASER, the well-established public-sector energy procurement firm. The unprecedented events taking place in Ukraine are causing a significant impact to the UK energy market, with energy prices seeing a dramatic increase since the war started. Prices in March are at unprecedented levels and continue to show extreme volatility. Market prices have been moving by up to 80% within a 24hr period, which makes reliable future price forecasting exceptionally difficult to provide. Based on the latest energy data its estimated that the budget pressure in the HRA this year will be £0.8m after taking account of service charge income. This pressure will be funded from the earmarked energy reserves held in the HRA.

25. Operational Recharges (£0.50m saving)
26. The energy pressure has been slightly offset by the reduction in the policing service. The HRA currently funds a service that provides additional policing service on our estates to support community safety and crime reduction. This year due to staff vacancies, sickness and abstraction rates in the police service there has been a reduction in the numbers of officers patrolling the estates (from 15 to 11), this has reduced the cost of the service by £500k. Work is ongoing to review the recharges between the HRA and GF, this review will update SLA;s between the departments and ensure all services are focused on core landlord activities, create efficiencies in the services and are lawful under the HRA ringfence rules. Further information on this review will be provided in the period 8 monitor and in the HRA Business Plan review

Repairs (£0.47m shortfall)

27. Enfield Repairs Direct (ERD) is experiencing cost pressures from inflation for materials and higher sub-contractor costs than estimated. The shortfall in budget, if materialised, will be funded from earmarked repairs reserves.

Bad Debt - contribution to provision (£0.40m saving)

28. A 10% provision was allocated for the potential increase in arrears from the cost of living crisis, so far actual arrears haven't seen a significant increase and remain at a similar level to last year. Based on current levels the provision in reserves is adequate and a reduction in the revenue contribution has been identified. The expected contribution will be monitored each month to ensure the provision is sufficient.

Interest on debt (£0.66m shortfall)

29. There has been a reduction in the borrowing requirement for the capital programme this year. This is due to the increase in grant payments for a number of development projects. However, Interest rates on PWLB borrowing has risen significantly (from 3.5% to 4.5%) which has increased the overall interest cost of borrowing to fund the capital programme.
30. Rental Income (£0.33m income shortfall)
31. Due to the current market conditions, the completion of 12 new homes at Gatward Green has been delayed. The delays in the units being completed has impacted the expected rental income to the HRA this year and has created a pressure in the revenue budget.
32. In addition, the void rate has increased from 1.5% to 2% which has reduced the level of income expected this year and has an impact on void repair costs.

Rents Non-Dwellings - Garage and Community Halls Rents (£0.06m income surplus)

33. Letting of HRA garages and community halls has improved this year which has seen an increase in the expected level of rental income this year.

Interest on balances (£0.01m income surplus)

34. Since setting the budget the HRA reserves position has reduced as reported in the outturn report. However due to the increase in interest rates from 0.75% to 1% on our reserves this has slightly increased the interest receivable on the HRA reserves this year.

Efficiency Savings

35. The HRA Business Plan has an efficiency target of £1m to be achieved this financial year. The table below shows how these long-term savings are being achieved after considering known pressures: (Please note: these are in addition to the pressures/savings identified in Table 1)

Savings and Pressure summary	£m
Savings	
Reduction in cost of Safe and Connected service	0.03
Efficiency savings in cleaning community centres and sheltered accommodation	0.07
A reduction in temporary accommodation spending for council tenants	0.02
Increased income from community spaces hire	0.08
Reduction in overtime spend	0.24
Staffing vacancy factor @ 5%	0.88
Reduction in use of casual staff – community halls	0.01
Total Savings	1.31
Pressures	
Staffing pay award 2022/23	-0.50
Agency cover for vacant posts	tbc
Total Pressures	-0.50
Net Savings	0.81

36. The efficiency target hasn't yet been achieved this year; however, work is still ongoing, and we estimate that the target will be found this year. Other areas that are being reviewed include:
- discontinuing the extra bin collections on estates
 - ensuring that enhanced services like grounds maintenance are fully charged to tenants and leaseholders
 - moving away from using hotels as emergency accommodation

37. These savings will assist in improving the HRA hurdle rates of Loan to Value (LTV) and Interest Cover ratio (ICR) and ensure the HRA remains sustainable.

Capital Programme Outturn

38. The ten-year capital programme is detailed in Appendix B. It shows the revised ten-year position inclusive of carry-forwards from 2021/22 as part of the HRA Business Plan update.
39. The HRA capital budget for the current financial year is summarised in table 2 below. It provides the latest forecast outturn position compared to the

original budget as advised by programme managers. It should be noted that we are managing cash flow and therefore have reduced forecast spend in the first two quarters pending receipt of income which would allow the drawing down of the full budget in Q3.

Table 2 HRA Capital Programme forecast

HRA Capital Programme 2022-23	Budget (Approved)	Actuals to date	Forecast	Variance
	£m	£m	£m	£m
Decency	17.41	7.78	17.08	-0.33
Energy Efficiency	4.93	0.55	4.51	-0.41
Building Investment	26.31	3.95	14.06	-12.25
Statutory Compliance	3.86	1.24	2.55	-1.31
Overheads & other investment	1.71	0.71	1.80	0.09
Investment Programme	54.20	14.23	40.00	-14.20
General (acquisitions)	22.52	3.21	50.11	27.59
Joyce & Snells	5.96	0.42	6.68	0.72
Bury Street	10.66	5.61	10.66	0.00
Electric Quarter	1.26	0.40	1.27	0.01
Reardon Court	10.46	0.16	7.90	-2.56
Exeter Road	7.04	0.66	0.80	-6.24
Upton & Raynham	11.74	1.46	1.70	-10.04
Bullsmoor Lane	4.09	0.22	2.50	-1.59
Development Programme	73.73	12.14	81.62	7.89
Alma Towers	5.68	0.33	3.11	-2.57
Ladderswood	0.23	0.00	0.09	-0.14
New Avenue	0.36	0.00	0.33	-0.03
Estate Regeneration Programme	6.27	0.33	3.53	-2.74
Grand Total	134.20	26.70	125.14	-9.05

HRA Capital Programme: Forecast, Expected Outcomes and reasons for variations to budget for 2022/23

40. This section provides details of significant areas of forecast spend, the associated outputs and variations to budget that will be delivered by those schemes this year. This includes investment in improving safety and the condition of Council homes, general maintenance, investments the support the climate action plan, building new homes and large-scale regeneration schemes.

Council Housing Investment Programme (£40.0m)

41. In line with the Better Council Homes programme, investment in the Council's housing stock and achieving the Decent Homes Standard and maintaining this is a Council priority; to address building safety risks and to reduce the need for responsive repairs.

42. The projected outturn for the investment on existing homes has been reduced in this quarter. This is to ensure the management of the HRA cash flow is maintained. There are a number of capital receipts expected this year to assist in funding this programme, when these receipts are received the outturn position will be reviewed and it may be possible to increase spend in later quarters.

Decency (£17.08m)

43. This budget funds decent homes improvement works, to ensure we comply with the Decent Homes Standard requirements. These works include the replacement of kitchens, bathrooms and electrical works on properties within our stock. The budget requirements have reduced slightly this year to manage cash flow requirements.

Energy Efficiency (£4.51m)

44. These projects aim to improve the energy and thermal efficiency of our existing stock. These projects include the deep retrofit and external wall insulation, which are partly grant funded projects. The contractors have proposed an increased pricing schedule (based on current market pressures) and in addition a reduced programme of works. We are continuing with this project on the revised basis as this will assist in achieving the net zero homes objective.

Building Investment (£14.06m)

45. We are investing in our homes to ensure we are compliant with the Building Safety Act and Fire safety Act requirements. Cladding works on a number of blocks has been delayed due to contract award delays, this has reduced the budget requirement for this year. In addition, contract values are increasing with additional scope as a result of changing building safety regulations and delays arising from gaining access to homes. Revised contingency levels are being considered to reflect these pressures which are likely to continue on such works.

Statutory Compliance (£2.55m)

46. This budget will address statutory requirements (other than building safety and decency) including water safety, lift replacements works and high priority communal electrical works to blocks.

Overheads and other investments (£1.80m)

47. This budget includes professional fees, stock condition surveys, structural strengthening and estate improvements works. The budget requirement has increased due to additional investment in boiler replacement programme.

Social Value

48. Contracts let this year are expected to deliver the following social value outcomes:
- Apprenticeships

- school placement/ work experience placements, with 4 targeted at BME and disabled school leavers
- DIY skills workshops (2 per year) for residents
- greening projects
- A commitment that 40% of all contract labour will be from Enfield residents
- A 3-tonne reduction in carbon generated from the council
- 100% recyclable waste target
- Resident energy awareness programme to address energy consumption and fuel poverty.
- Moving forward all Social Value outcomes will be captured via the Social Value Portal, using the Council Housing social value model. Social Value will account for 10% of the tender evaluation score.

Development Programme (£81.62m)

49. This year the new homes programme has experienced challenges arising from the current volatile market conditions. As a way to mitigate these risks going forward, we are reviewing partnership models of delivery and short term looking to achieve new homes targets by acquiring additional homes already in the pipeline. This also has the benefit of underwriting delivery of existing programmes at a time when progress may be reviewed/paused by partners due to market uncertainty.
50. Acquisitions – We are currently in negotiations to purchase units at Meridian Water and Alma development projects this year. If approved these acquisitions will add 149 affordable units to the HRA and will generate long term rental income and sales receipts (shared ownership) income.
51. Bullsmoor Lane (31 new homes) – this project received planning consent in October 2022 and is due to start on site in November following a full financial assessment of the project.
52. Bury Street West (50 new homes, 25 affordable rented and 25 private sales) - construction works are ongoing with expected completion of the units expected in December 2023. Marketing of the private sale units is anticipated to launch in November 2022.
53. Reardon Court (70 units) - The contractor is now in possession of the site and works have commenced. This project will provide new affordable homes with care for older residents in the borough.
54. Electric Quarter (75 new homes) - All 75 homes were acquired by the Council, with the last 28 shared ownership transferred to the Council in March 2022. The developer is still under obligations to complete the estate and meeting development and sales conditions, including defects, arising from the agreements with the Council. At as October 2022, 18 of the shared ownership units have been sold, with 8 available for sale, and 2 reserved and in the conveyancing process, with total capital receipts anticipated of £2.7m in 2022/3.
55. Joyce and Snells - A planning application has been submitted and procurement initiated to enter into a Pre-contract Services Agreement to

enable works to commence prior to construction. Progressing the scheme is subject to a review of viability as part of the Business Plan review. If the scheme can progress, further procurements will also be progressing to support this including cost consultants and external legal services. Furthermore, it is proposed (subject to Cabinet) that work will commence on a Compulsory Purchase Order application on existing blocks to ensure that vacant possession can be secured prior to commencement of Phase 1.

56. Upton and Raynham (130 homes) - This budget has been reduced this year as contract award has been terminated due to prices being significantly above budget. Due to the current climate this scheme is being reviewed and options of how to progress this scheme are being considered.
57. Exeter Road (130 new homes) - Due to the current climate (inflationary pressures) this scheme is being reviewed and options of how to progress this scheme are being considered.
58. The Council is contractually obligated to deliver starts through the GLA programme with a longer-term commitment to deliver 3,500 homes. To manage cost pressures and deadlines a review is in progress as follows:
 - Value engineering aspects of schemes to create efficiencies.
 - Seeking higher levels of grant – especially those funded through historical low grant rate programme such as Upton and Raynham.
 - Seeking funding via the S106/CIL budgets.
 - Review of procurement strategies including packaging schemes to identify cost efficiencies.
 - Review of tenure and increasing private sale.
 - reviewing partnership models of delivery
59. As part of this review updated build costs and revised expenditure profiles have been included within the HRA Business Plan annual review.

Estate Regeneration (£3.53m)

60. This programme, which includes the Alma Estate, New Avenue and Ladderswood schemes, is investing in large scale phased regeneration for delivery of in-demand affordable housing as well as unlocking new homes for low cost home ownership for Enfield residents.
61. Alma - all residential properties have been acquired, with a few commercial units that will be acquired over the next two years. In September 2021 a revised planning consent was granted and phases 2a and 4 have been brought forward, the completions of these phases is expected in January 2024. The expected spend this year has been reduced based on the latest contractor payments forecast.
62. Ladderswood - Phase 4 construction is progressing well, with the super structure frame close to completing. This phase is programmed for completion in June 2024. Due to various delays and title issues, the commercial units remain void which will impact on rental income, we currently we only have 1 out the 6 units on offer and are progressing completion of the lease. We are anticipating an overage payment of £5m in Q3.

63. New Avenue - all residential buyback properties have been acquired. Phase 1 is complete, phase 2 commenced in April 2022 and is well underway with foundations largely complete and some concrete frames rising. The existing building in phase 3 (Coverack Close) is fully vacated and is due to be demolished this year.

Risks

64. New and emerging legislation around Building Safety, Decency standards and the Climate Action agenda, are placing significant financial pressures on the HRA and it is acknowledged that the Council will need to explore external funding and continue to lobby Central Government, for additional financial support, to enable it to deliver this strategy.
65. A significant risk is that of increasing construction costs, noted below, which is expected to impact on residential contracts entered into. Mitigations will have to be found in specification of works and securing maximum grant support whilst monitoring market conditions and the macro-economic environment.
66. There are c. 600 private sales units built into the plan, depending on market conditions the sale of these units could add financial pressure to the business plan and impact on cashflow if the sales were delayed or were sold at a lower value than estimated.
67. **Development Programme**
Risks relate to planning timescales and cost of development. In the current climate, the contractor market is likely to amend pricing to include the risk of reduced supply and material chains which will impact on the Council's ability to deliver within hurdle rates. If project expenditure increases significantly it may mean that projects may be delayed, must be redesigned to remain affordable or considered for delivery as part of a partnership model. If projects are abandoned then this will have an impact on the revenue reserves position, as costs which have already been capitalised may need to revert back to revenue as there will be no asset to capitalise the costs against.
68. Changes in grant conditions could impact the future development programme i.e. reduction in rent levels and grant receivable. Unlike its predecessor the new Affordable Homes Programme (AHP) is based on a lower social rent and no longer has a tariff rate and each scheme is based on value for money test and grant as a % of total scheme costs. The assumption in the HRA Business Plan is £150k (social rent) and £50k (shared ownership) for bids submitted under the AHP programme. Joyce and Snell's has been allocated a higher level of grant per unit reflecting the complexities of the scheme.
69. The overall programme risk is the availability of grant for future years which is likely to have a stringent set of restrictions. In the short term, it is important to develop processes and a flexible approach to planning and hurdle rates to maintain grant levels currently allocated for this financial year.

70. The Housing Service is exploring mitigations to address these risks which include:

- engaging with GLA to maximise grant support
- alternative income sources i.e. S106 and CIL
- reviewing phasing of construction to minimise the impacts of increased construction costs
- exploring innovations in construction technology (like modern methods of construction “MMC”) to take advantage of cost savings without compromising quality and tenants’ safety
- considering partnership delivery models which share risk and provide scale to support delivery efficiencies

Financing the Capital Programme

71. Table 3 below sets out the forecast financing of the 2022/23 HRA Capital programme, which will be a combination of grants, capital receipts (sales of assets), reserves and borrowing:

Table 3 Forecast financing of the Capital Programme

HRA Capital Programme Financing 2022-23	Capital Grants	Usable Capital Receipts	Major Repairs Allowance	Earmarked Resources / Reserves	Borrowing	Total Funding
	£m	£m	£m	£m	£m	£m
Decency	0.0	8.5	8.6	0.0	0.0	17.1
Energy Efficiency	0.5	3.3	0.8	0.0	0.0	4.6
Building Safety	0.0	13.5	0.4	0.0	0.0	13.9
Statutory Compliance	0.0	1.2	1.4	0.0	0.0	2.6
Overheads & other investment	0.0	1.7	0.1	0.0	0.0	1.8
Total Investment Programme	0.5	28.2	11.3	0.0	0.0	40.0
General (acquisitions)	17.1	0.7	0.0	9.9	122.5	50.2
Joyce & Snells	0.0	0.1	0.0	0.9	5.6	6.6
Bury Street	1.3	0.0	0.0	0.0	9.4	10.7
Electric Quarter	0.3	0.0	0.0	0.0	1.0	1.3
Reardon Court	7.8	0.0	0.0	0.0	0.1	7.9
Exeter Road	0.0	0.0	0.0	0.3	0.5	0.8
Upton & Raynham	1.7	0.0	0.0	0.0	0.0	1.6
Bullsmoor Lane	1.6	0.0	0.0	0.0	0.9	2.5
Development Programme	29.7	0.8	0.0	11.1	40.0	81.6
Alma Towers	3.0	0.0	0.0	0.0	0.1	3.1
Ladderswood	0.0	0.0	0.0	0.0	0.1	0.1
New Avenue	0.0	0.0	0.0	0.0	0.3	0.3
Estate Regeneration Programme	3.0	0.0	0.0	0.0	0.5	3.5
Grand Total	33.2	29.0	11.3	11.1	40.5	125.1

72. Appendix C shows the financing for the 10-year capital programme.
73. The table below shows the movement in financing of the forecast capital programme since the agreed budget position.

Capital Financing	Approved	Forecast	Difference
	£m	£m	£m
External Grants	20.2	33.2	13.1
S106 & CIL	0.0	0.0	0.0
Revenue Contributions	0.0	0.0	0.0
Capital Receipts	22.8	29.0	6.3
Major Allowance Repairs	8.1	11.3	3.3
Earmarked Reserves	21.6	11.1	-10.5
Borrowing	61.6	40.5	-21.1
Total HRA Financing	134.2	125.1	-9.1

74. This year there is a significant focus on how the capital programme is financed. The below details the grants and capital receipts elements as these areas are the highest risk and will impact the borrowing or reserves position if not achieved.

Grants Summary

75. Table 4 below provides a summary of the expected grant levels in 2022-23, awarding bodies and risk associated with received the grant:

Table 4 Summary of Grant Funding

Project	£m	Awarding Body	Risk
Bullsmoor	1.55	GLA	Green
Upton and Raynham	1.70	GLA	Red
Reardon Court	7.40	GLA	Green
Reardon Court	0.44	Kingsdown Charitable Trust fund	Green
Gatward Green	0.71	GLA	Green
Bury Street West	1.25	GLA	Green
Electric Quarter	0.27	GLA	Green
Meridian Water Acquisition	3.20	GLA	Yellow
External Wall and Deep Retrofit	0.50	Department for Business, Energy and Industrial Strategy (BEIS)	Green
Additional grant allocation from 50% to 85%	16.16		Green
Total	33.22		

76. The Council is currently delivering a number of large housing schemes under the Building Council Homes for Londoners programme which requires starts on site no later than March 2023. Through a mixture of direct delivery and acquisitions, the Council is progressing schemes through planning to ensure the current committed programme is delivered to time. In April, the Council submitted a bid as part of the AHP 2021-26 programme and announcements were made in September confirming the full bid was

successful and allocated the full amount applied for of £166.5m to support future new build and regeneration projects. The grant relates to sites in future years and projects commencing from April 2023 and is subject to contract.

77. Enfield Council have been successful in the bidding application for Phase 1B of the Local Authority Delivery scheme and received confirmation from Department for Business, Energy and Industrial Strategy (BEIS) last year that the application has successfully met the assessment criteria for funding to provide energy efficiency upgrades to low-income homes. This funding is supporting the installation of External Wall Insulation in a number of Council properties.

Capital Receipts

78. Table 5 below provides a summary of the expected receipts in 2022-23, and risk associated:

Table 5 Summary of Capital receipts

Project	£m	Risk
Land Disposals Programme	2.00	
Electric Quarter Shared Ownership Sales	2.71	
Capital Receipts from previous years	8.27	
Ladderswood Overage	5.09	
Major works recharges to leaseholder	4.11	
Total	22.18	

79. As part of the Electric Quarter project the HRA has acquired 75 homes of which 28 are shared ownership units. Sales are track on and its estimated they will all complete this financial year.
80. In order to assist in funding, the capital programme there is currently a review of HRA owned land that could be disposed of. The £2m target this year is on track to be achieved from these sales.
81. **Reserves**
82. The level of HRA reserves, after capital financing, is shown below:

Reserves -ve expenditure +ve positive balances on reserves	Balance at 01/04/2022	Movement (net of capital financing)	Balance at 01/04/2023
	£m	£m	£m
HRA Balance	3.19	7.80	10.99
HRA Insurance	0.63	0.00	0.63
HRA Repairs Fund	1.58	0.00	1.58
HRA Capital reserve	1.06	0.00	1.06
HRA Major repairs reserve	0.77	0.00	0.77

HRA Capital receipts	0.17	0.00	0.17
HRA RTB one for one receipts	18.16	8.18	26.34
Total Reserves	25.57	15.98	41.55

83. In 2021-22 the reserves position reduced (as expected) due to the increase in spend in the HRA capital programme. In order to achieve the Council objectives for the delivery of 3,500 new homes over the next 14 years it has been necessary to use reserves to fund the demands in the short term, and in the long term the delivery of new homes will generate additional revenue rental income and capital sales receipts in order to maintain a viable HRA business plan. However, the reserves position was reduced further than expected due to capital receipts not materialising. It should be noted that the reserve levels remain above the minimum balance level of £6m.
84. Cash flow monitoring has been introduced to ensure minimum reserve levels are maintained throughout the year. In addition, this will assist in ensuring the capital receipts received during the year are sufficient to fund the Investment Programme this year.

Safeguarding implications

85. Not relevant to this report

Public Health Implications

86. Through investment in capital building and maintenance, the Council influences the built environment within Enfield significantly. The built environment in turn influences how residents interact with their environment; for example, during active travel or accessing facilities. Ensuring that our capital buildings are maintained, fit for purpose, and wellbeing considerations are taken in terms of their use, how they promote residents' wellbeing is key to contributing positively towards the public's health. Additionally, ensuring that all buildings have minimal environmental impact also contributes towards enhancing resident's wellbeing.
87. 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.
88. 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.

Equalities Impact of the Proposal

89. Not relevant to this report

Environmental and Climate Change Considerations

90. Environmental and climate changes implications are referenced as relevant in the body of the report.

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

91. Not relevant to this report

Financial Implications

92. Financial implications are set out in the report.

Legal Implications

93. Section 74 Local Government and Housing Act 1989 sets out that Housing property must be accounted for in the Housing Revenue Account (HRA) by reference to the powers under which it is held. Furthermore, there is a statutory requirement whereby the Council is obliged to keep its HRA separate from other housing activities and not to allow cross subsidy to or from the Council's General Fund resources. In addition, under Section 151 of the Local Government Act 1972 the local authority is required to make arrangements for the proper administration of its financial affairs.

94. The Council has a duty to disclose specific HRA information and its operation as set out in the Housing Revenue Account (Accounting Practices) Directions 2016.

95. On 10th November 2020 Government guidance on the operation of the HRA ring-fence was published. The guidance highlights the need to be fair to both tenants and Council taxpayers and that there should be fair and transparent apportionment of costs between the HRA and the General Fund in accordance with the legislation.

96. Under sections 167-175 of the Localism Act 2011 new provisions were introduced which ended the HRA subsidy system and replaced it with self-financing arrangements. Section 171 empowered the Secretary of State to make provision relating to the level of indebtedness.

97. Under Regulation 12 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) local authorities are required to use Right to Buy receipts to pay the "poolable amount" to the Secretary of State on a quarterly basis.

98. On 29th October 2018, the HRA borrowing cap was abolished and as a result, local authorities with an HRA are able to borrow against their expected rental income provided this is in line with the current CIPFA Prudential Code.

99. It should be noted that if the Council wishes to dispose of land or property in the HRA or provide financial assistance the consent of the Secretary of

State maybe required unless such disposals fall within the General Disposal Consents in Section 32 Housing Act 1985.

100. In respect of the Council's public sector equalities duty, current equality impact assessments should be kept under review in case of policy changes.

Workforce implications

101. Not relevant to this report

Property Implications

102. Whilst a number of capital projects mentioned within this report have property implications, these will have been highlighted in the relevant report that authorised the project. As such, this report in itself does not have any direct property implications.

Other Implications

103. There are no other implications

Conclusions

104. The HRA revenue budget will continue to be closely monitored over the coming year, in particular monitoring the cost pressures arising from the current economic position. Action will be taken to address in year cost pressures as these arise to ensure that the HRA maintains financial resilience this will be reported to Cabinet during the coming financial year. A review will be required of repairs costs in particular to ensure the cost pressures can be mitigated as far as possible.

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Date:

Appendices

Appendix A – HRA Revenue Monitor Quarter 2
Appendix B - HRA 10-year Approved Capital Programme
Appendix C –HRA 10-year Approved Capital Programme Financing

Background Papers

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

Appendix A – HRA Revenue Monitor Quarter 2

Council Housing Revenue Monitor	2022-23 Budget	Spend to date	Projected Outturn	Variance
	£m	£m	£m	£m
Supervision and Management (General) *Housing Development & Estate Renewals *Director Housing Management *Tenancy and Estate Management *Income Collection *Re-Housing *Home Ownership & RTB's *Communications	15.4	1.9	14.9	-0.5
Supervision and Management (Special) *Grounds Maintenance *Energy *Communal Services *Sheltered Housing *Concierge & CCTV	7.0	2.2	7.8	0.8
Repairs Admin *Housing Prof Services *Technical Services	4.5	2.6	3.9	-0.6
Repairs Base *Responsive & Planned	9.2	5.3	10.3	1.1
Rates - Council Tax & Business rates	0.8	0	0.8	0
HRA Surplus (to fund Capital)	9.1	0	9.1	0
Bad Debt Provision	0.6	0	0.2	-0.4
Capital Financing	22.2	0	22.9	0.66
Rents Dwellings	-60.5	-24.1	-60.2	0.3
Rents Non-Dwellings Shops/Garages/Community Halls	-3.1	-2.1	-3.1	-0.1
Interest on HRA Balances	-0.2	0	-0.2	-0.1
Corporate & Democratic Core	0.1	0	0.1	0
Leaseholders Service Charges	-5.1	-7.9	-5.1	0
Total	0	-22.0	1.29	1.29

- HRA

**Appendix B
10-year**

Approved Capital Programme

Capital Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 - 2031/32	Total
	£m	£m	£m	£m	£m	£m	£m
Development Programme Total	73.7	158.5	79.7	114.0	82.6	379.3	887.8
Estate Regeneration Total	6.3	1.1	1.0	0.8	0.6	0.0	9.8
Investment Programme Total	54.1	58.0	15.3	14.5	14.5	68.2	224.5
Total HRA	134.1	217.6	96.0	129.3	97.7	447.5	1,122.1

Appendix C –HRA 10-year Approved Capital Programme Financing

Capital Financing	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 - 2031/32	Total
	£m	£m	£m	£m	£m	£m	£m
External Grants	20.2	9.1	21.1	13.1	34.9	89.3	187.7
S106 & CIL	0.0	0.0	0.0	0.0	0.0	27.5	27.5
Capital Receipts	22.8	56.7	60.7	39.7	17.3	128.9	326.0
Major Allowance Repairs	7.9	12.1	14.2	14.5	15.0	68.2	131.9
Earmarked Reserves	21.6	6.9	0.0	0.0	19.5	48.6	96.6
Borrowing	61.7	132.8	0.0	62.0	11.0	85.0	352.5
Total HRA Financing	134.1	217.6	96.0	129.3	97.7	447.5	1,122.1

London Borough of Enfield**Meeting Date: Cabinet 14th December 2022**

Subject: HRA Business Plan – Annual Review**Cabinet Member: Councillor George Savva (Social Housing)
Councillor Tim Leaver (Finance & Procurement)****Executive Director: Joanne Drew (Acting)****Key Decision: KD5499**

Purpose of Report

1. Each year we review the Business Plan assumptions in the Housing Revenue Account (HRA) in the light of the external environment (for example interest and grant rates), the progress of our strategy for Council Housing and the forward plan for the period.
2. The Good Growth Housing strategy sets out an ambition of being proud of and investing in our Council homes. This means adopting a balanced approach to investment (capital) in existing homes, the building of new council homes and day to day services (revenue) for council tenants and leaseholders including meeting the required standards of the Regulator for Social Housing. At the centre of these carefully balanced priorities is the experience of tenants and leaseholders in council homes and residents across the borough who are in need of homes.
3. It is a general principle of our approach that we should maximise capital investment in homes and places to improve the quality of our homes for residents and to minimise day to day revenue costs. Investment in the development of new homes helps to, balance the age of the stock profile and its investment requirements, improve housing conditions and grow income whilst addressing critical housing need which drives general fund pressures in adult social care, children's services and homelessness.
4. Cabinet will be aware that there are significant financial pressures on the Council in relation to high interest rates impacting on the cost of debt. In addition, the Housing area is experiencing inflationary increases in repairs and construction works costs, and Government restrictions on annual rent increases. This report therefore sets out how we will focus on our core landlord obligations improving resident satisfaction.

Proposals

5. Recommend Cabinet to:

Approve:

6. The revised development programme and hurdle rates for schemes.
7. The next five years RTB programme expenditure of £94.1m

8. The acquisitions programme and delegate authority to the Director of Housing and Regeneration for each purchase within the agreed financial parameters outlined in this report and in consultation with the Director of Finance (Commercial).

Note:

9. The revised 10-year HRA Capital Programme budget for investment in existing council homes
10. The updated HRA Business Plan and financial assumptions on which we will ensure an affordable and viable 30-year plan.
11. The HRA borrowing requirement of £304m over the next 10 years.
12. The social housing rent increase was agreed at the Autumn Budget. Rents, subject to approval, will increase by 7% in 2023-24, in line with Governments imposed rent cap. Approval will come forward as part of the HRA rent setting report recommended to Council on 8th February 2023.
13. The proposed increase in rent charged on shared ownership properties from 2.75% to 3%, approval will come forward as part of the HRA rent setting report recommended to Council on 8th February 2023.
14. The designation of some sheltered housing blocks and the corresponding impact on service charges.
15. The increase in borrowing interest rates and long-term assumption taken in the Business Plan, and impact to the HRA business plan

Reason for Proposals

16. To ensure that a balanced and viable 30-Year HRA Business Plan is approved by Cabinet which meets the strategic priorities of the service.

Relevance to the Council's Corporate Plan

17. Develop affordable homes, improve existing housing stock to create a lifetime of opportunities in Enfield, providing Good Homes in well-connected Neighbourhoods, and Sustaining Strong and Healthy Communities.

Background

18. Each year, the HRA Business Plan is updated and a review of the Financial and investment framework is undertaken, along with the strategic approach.
19. In January 2020 a report approved the delivery of 3,804 new homes (3,500 affordable) in the development programme over the next 10 years. This recognised the need for, and Council's priority for the addition of affordable council housing to meet the existing needs of residents
20. In February 2022, Cabinet agreed to continue with the ambitious investment programme to build new homes, regenerate places and improve the quality of existing Council homes. This report provides an update on the programme and future strategy.

21. In October 2022 Savills completed a strategic review of the business plan to ensure the HRA 30-year business plan continues to be remain viable and sustainable in the current and future financial market. This review included the following inputs:
- Reviewing the key assumptions for development, investment in existing stock and services against the efficiencies required
 - Identifying pressures facing the Housing Service and provide strategic advice on where the Council should prioritise deployment of its investment
 - Review economic assumptions e.g. on inflation and rents informing our response to the social rent cap consultation.
 - Review the HRA financial framework including policy on cash flow management and performance buffers to reduce cash flow pressures
 - Identify longer term development capacity so that investment in new council homes can be aligned with other strategic developments in the borough.

Main Considerations for the Council

22. The HRA Business Plan is subject to an annual review to ensure the assumptions are deliverable in the local operating context.
23. This report gives an update on the HRA 30-year business plan position at Quarter 2 2022-23 and includes the following updates:
- a. Update on the economic position
 - b. Revised 10-year development programme and strategic approach to secure ongoing delivery
 - c. Updated RTB receipts spending proposal
 - d. Updated borrowing profile, including interest rate update
 - e. The 10-year investment in stock programme
 - f. Revenue budget update, including savings proposals
 - g. CPI update, including rent cap consultation
 - h. Financial framework update, including, financial metric and assumptions

Economic update

24. Like all social housing providers whether they be housing associations or Councils, the HRA is facing significant challenges this year driven from four main factors:
- Inflationary pressures – applying to all costs (both revenue and capital)
 - Rent cap consultation – fixed rent increase of 7% for 2023-24
 - Costlier and delayed development programme arising from higher construction cost inflation
 - interest rate rises – impacting on the cost of borrowing
25. These factors have had a significant impact on the HRA business plan's affordability to deliver the current plans.

26. The report sets out the plans to manage the impact of market pressures whilst ensuring the HRA Business Plan continues to be remain viable and sustainable.
- 27. Development and Estate Regeneration Programme**
28. This will deliver approximately 3,500 new homes starts over the next 14 years, funded through a mix of GLA grant, Right to Buy (RTB) receipts, HRA borrowing and cross subsidy from sales.
29. This year (2022-23) the new homes programme has experienced challenges arising from the current volatile market conditions. As a way to mitigate these risks going forward, we are reviewing partnership models of delivery and short term looking to achieve new homes targets by acquiring additional homes already in the pipeline. This also has the benefit of underwriting delivery of existing partnership programmes at a time when progress may be reviewed/paused by partners due to market uncertainty.
30. On existing pipeline schemes, we are reviewing the scope and potential for value engineering.
31. In light of these pressures the financial framework for the development programme has been reviewed. The main changes to the programme and viability assessment are as follows:
- The programme has been reprofiled to reflect the latest financial position of projects in contract
 - The NPV and IRR have been updated to reflect the unstable current economic market. Moving to a more positive NPV and increased IRR rate (post-financing) will ensure the development projects adds value to the plan and the investment makes financial sense. It should be noted however that this will make viability increasingly challenging to deliver and is likely to result in an impact on quantum of delivery.
 - Each scheme will be assessed on a scheme by scheme basis in consultation with the Director of Finance.

Table 1

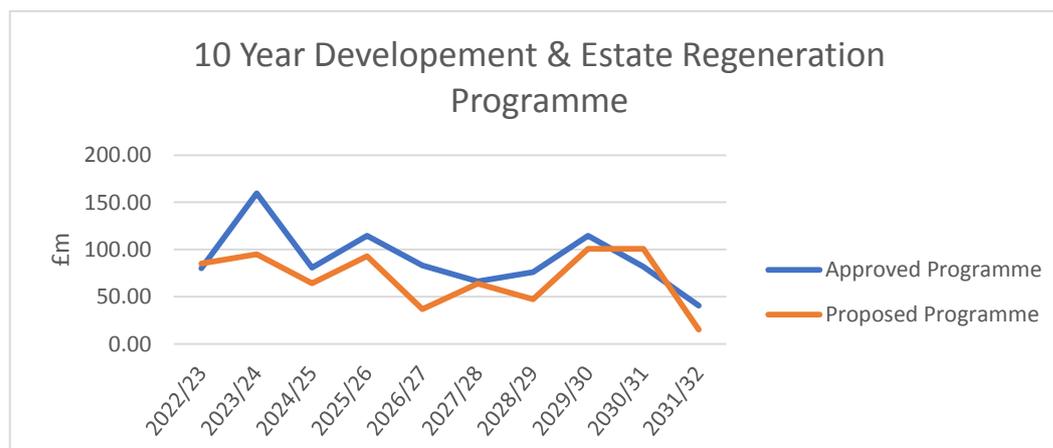
Hurdle Criteria	Current Approved	Proposed
Build cost per unit	£400k new build £450k estate regeneration	£400k new build £450k estate regeneration
Net Present Value (NPV)	£-60k per unit	Between £-60k and a Positive NPV
Internal rate of return (IRR)*	3.5% (post financing)	7% (post-financing)
Repayment period	50 years	50 years (60 years for Joyce & Snells)

*IRR is that discount rate which will generate zero NPV; submarket rents used as the schemes have wider social benefits therefore it is acknowledged the IRR will not be met in all circumstances

32. We have secured £166.5m as part of the GLA's Affordable Housing Programme, following a successful funding bid. This funding will contribute towards funding 1,119 new homes in the Borough.

33. The below graph compares the current approved programme against the proposed reprofiled 10-year budget:

Graph 1



34. The graph shows how the budget has been smoothed to reflect the updated spending profile of the programme including for Joyce and Snells to reflect the current programme. This shows a reduction in the overall spend in the next 10 years, due to the latest Joyce and Snells forecast, reducing the borrowing requirements in the next 10 years.

35. Right to Buy (RTB) Receipts

36. The Government published new legislation on the use of RTB receipts with these changes being effective from 1st April 2021 and gave Councils slightly more flexibilities on how the RTB receipts can be applied.
37. In order to maximise the use of RTB receipts it is proposed these receipts will contribute towards the HRA's acquisition programme and support future development schemes.
38. The proposed five-year programme is shown in the table below, this could be subject to change as there may be delays or unavoidable changes within the programme.

RTB receipts	2022.23	2023.24	2024.25	2025.26	2026.27
Actual spend	30.65	20.65	19.13	11.90	11.76
Total spend required	30.65	20.65	19.13	11.90	11.76
RTB receipts (40%)	12.26	8.26	7.65	4.76	4.70
Total RTB receipts (40% of total spend)	12.26	8.26	7.65	4.76	4.70
Actual spend allocated (100%)					
New Avenue	0.01	0.01	0.02	0.00	0.00
Acquisitions	24.2	20.8	23.4	8.6	8.3
Exeter Road	0.80	0.00	7.04	8.13	0.64
North London Muslim Housing Association	2.76	0.00	0.00	0.00	0.00
Unallocated (+)/overallocated receipts (-)	2.90	-0.14	-11.29	-4.86	2.81
Total spend	30.65	20.65	19.13	11.90	11.76

39. The Council will continue to assess schemes on the basis of grant as % of total scheme costs against the use of unspent Right to Buy receipts to

ensure that available resources are directed to the key priorities and grant is maximised on newbuild developments.

40. Disposals

41. The current Business Plan assumes an annual target of £1m for disposals. This year we have progressed a major push and have achieved £1.17m sales to date with £1.93m in the pipeline including predominantly small parcels of land that are not usable for the development programme. Going forward the Business Plan will be supported by sales of void properties that are high cost to maintain (-NPV) or high value. This will provide investment to reduce the call on borrowing to maintain existing stock or to provide cross subsidy for development schemes.

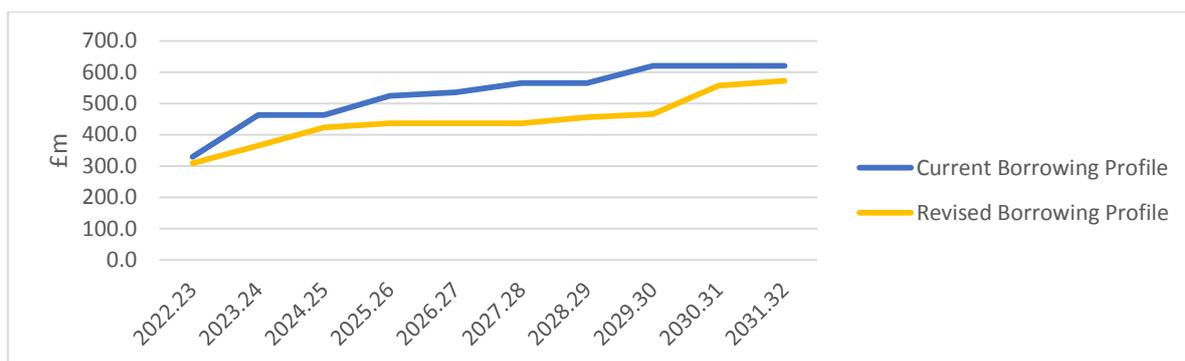
42. Borrowing and interest rates update

43. The capital programme is supported by borrowing from the PWLB. As at 31st March 2022, the average borrowing rate was 3.5%. The PWLB interest rates are determined by HM Treasury based on gilt yields, the returns on government bonds. These rates are based on the gilt rate + 0.8% and since March 2022 gilt rates have significantly increased (especially since the mini budget).
44. The increase in gilt rates has impacted the rate at which we borrow, and this has now risen from 3.5% to 4.5% in 22-23 and long term 5.5%. This increase has put additional pressure on the revenue budget and has increased interest payments by £114m over the 30-year business plan. They are also a contributing factor in the adverse forecast outturn for this year as set out in the report on the Q2 position elsewhere on the agenda.
45. Borrowing assumptions within the Business plan are 4.5% in 2022-23 then 5.5% ongoing.
46. The current borrowing within the HRA is £268.4m and this level will rise to £572.4m over the next 10 years.
47. The below table and graph show the movement in the borrowing profile over the next 10 years:

Table 3

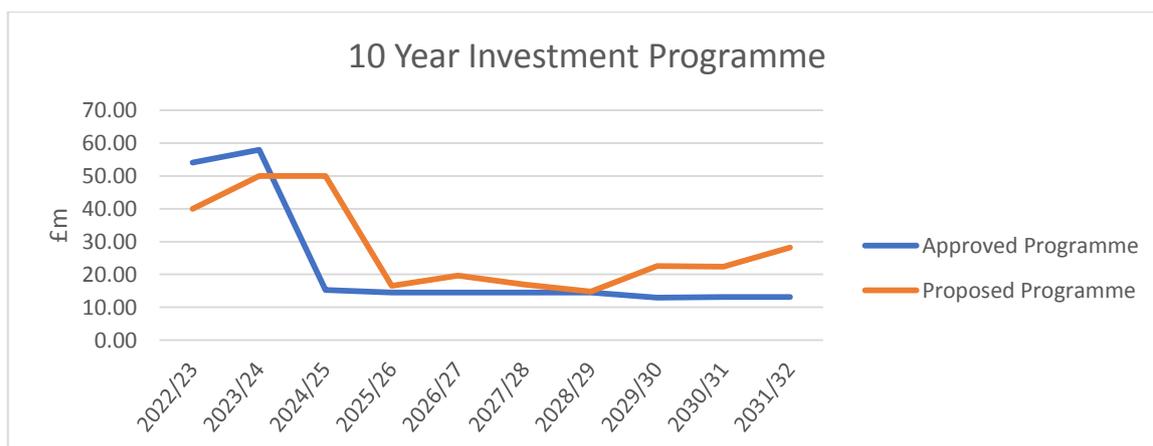
	Approved	Revised	Difference
2022/23	61.2	40.5	-20.7
2023/24	132.8	56.0	-76.8
2024/25	0.0	58.0	58.0
2025/26	62.0	13.0	-49.0
2026/27	11.0	0.0	-11.0
2027/28	30.0	0.5	-29.5
2028/29	0.0	19.0	19.0
2029/30	55.0	11.0	-44.0
2030/31	0.0	90.0	90.0
2031/32	0.0	16.0	16.0
Total	352.0	304.0	-48.0

Graph 2



48. The borrowing profile has reduced due to the capital programme being re-phased and reduced expenditure for development required in the next 10 years.
49. It should be noted that all borrowing requirements will remain within the Councils financial metrics and in line with the General Funds Prudential Indicators and Treasury Management Strategy. The loan principal will be paid back in full when it falls due and interest is charged annually over the life of the loan.
50. **Investment programme**
51. The investment programme continues to experience challenges this year arising from the current market conditions.
52. The impact of COVID; BREXIT, and the war in Ukraine on inflation in the planned maintenance sector has been substantial with both labour and material shortages pushing up costs by more than general inflation since the COVID lockdowns. The particular pressures that led to the high inflation levels over the past 2 years have subsided, but the sector does not expect prices to reduce in the near future.
53. The Office for National Statistics in their latest bulletin (September 2022) states that annual price growth for all construction work was 9.5% in July 2022. Looking forward the Royal Institution of Chartered Surveyors (RICS) suggests that tender price inflation will be between 5-7% and will be around 4% over the next four years.
54. In addition to these cost pressures the nature of works and challenges of our buildings mean that works programmes are subject to increased scope pressures and elongation especially when undertaking intrusive works to homes with residents in situ. In addition, there is often a decant requirement which has an impact on revenue.
55. The below graph compares the current approved programme against the proposed reprofiled 10-year budget:

Graph 3



56. The programme has been reduced in the early years, due to the affordability in the business plan, however growth has been included within the 10-year programme to ensure we meet our statutory decent homes requirements.

57. The updated programme has allocated resources based on a hierarchy of prioritisation with building safety and compliance being the highest ranked priorities, followed by decency as priority 2 and energy efficiency/sustainability priority 3.

58. This programme will move the stock to the desired decency targets as part of a three-year programme meaning targets will be reached in 2025.

59. Revenue Budget

60. It has been necessary to start a review of the management and maintenance service in light of the increase in inflation pressures to revenue budget. The cost per unit of these services is being measured against Housemark benchmarks/industry standards to ensure we offer value for money and assist in measuring performance and driving down costs.

61. The annual efficiency targets against management and maintenance budgets remain as a target of £1m per annum for the next three years. The target was achieved in 2021-22, with work ongoing to reach the target this year.

62. The areas of focus include:

- Repairs:
 - driving down the reactive repair's costs
 - updating the voids specification to bring the average void cost down
- reviewing staff structures in the management and maintenance areas
- reviewing service charges to tenants and leaseholders to fully recover the costs of services
- reviewing core and non-core landlord services, with a view to focus on core services provided to our residents – this may lead to reducing the non-core services currently provided
- reviewing rent charges on our non-dwelling assets – this includes a financial and community optimisation strategy to come forward in the new year.

63. In addition, we are undertaking a fundamental review of our damp and mould strategy with a view to taking new measures to improve housing standards and outcomes for residents. There will be a real focus on damp and mould issues within our properties. An updated strategy on this is being drafted to ensure issues are highlighted and processed accordingly. Prior the adoption of the strategy, improvements are already being made to our approach, including as an example ensuring all council staff going into council homes understand the basic issues and where to raise the issue internally.
64. At a time of pro-active regulation, the sector faces challenges in managing within a reduced cost envelope whilst responding to the Regulatory Consumer Standards and the needs of residents through the cost of living crisis. This requires a focus on landlord priorities. Therefore, services that do not relate to an improvement to our core landlord service and resident wellbeing will be discontinued.
65. Enfield is a diverse borough and it is vital that all staff and service provision is delivered with an excellent and best in class understanding of Equality, Diversity and Inclusion. We are picking up these issues in the draft engagement plan for tenants, including working to ensure the consultative panel of residents is representative of the diversity of the tenant group. Council Housing also undertakes monthly training on this issue as part of Council Housing Briefings and monitors the issue on an ad hoc basis. The council housing service is also guided by the clear parameters and values set out in the Fairer Enfield Plan: Equality, Diversity and Inclusion Policy 2021-25
66. Energy wholesale market prices have continued to increase over the Summer and have seen record highs in gas and electricity prices. Laser our energy consultants have supplied estimates for next year's budget based on low, medium and high cost scenarios, which are estimating increases of c. 300%. The Energy Bill Relief Scheme (EBRS) will greatly reduce this increase and we await further details on this initiative.
67. The heating charges for 2023-24 will be fully charged to tenants and leaseholders as part of the service charges and approved in the Rent Setting report.
68. **Sheltered Housing Service**
69. For a number of years residents in some sheltered housing blocks have benefited from a more intensive housing management service - a significantly higher staff to resident ratio - when compared with the general housing management portfolio. To ensure this can be continued from 1st April 2023 a service charge will be added to those sheltered housing blocks which benefit from this more intensive service level – this new service will be called Later Living. The remaining sheltered housing blocks residents will be part of a Community Independent Living service which will be available for any resident over the age of 55 with no dependent children. Residents in the Community Independent Living blocks may opt to receive the intensive housing management service and pay the increased service charge.
70. **CPI Update and Rent Cap Consultation**

71. In February 2019 the Government published a Rent Policy Statement and a Direction on the Rent Standard 2019. The Rent Standard 2020 published by the Regulator of Social Housing set out that Councils could set a maximum actual rent increases of CPI + 1% per annum until 2024/25 based on the preceding September published CPI.
72. Rent increases from financial year 2025/26 onwards are assumed in line with the Government's long-term CPI target of 2%. This is considered reasonable and in line with external professional advice.
73. Under current regulations the Consumer Price Index (CPI) for September 2022 determines the increase in the rent for social rent properties which was 10.1%.
74. Due to the rising inflation rates, On 31 August 2022, the Government published a consultation paper proposing a cap on social housing rent increases for 2023/24 with options for the level of cap, period of cap and its application. The Government also plan to consult on social rent policy from 2025/26 later this year. The rent cap increases proposed for 2023/24 are 3%, 5% or 7%. The results of the consultation have determined the rent increase will be 7% for existing rents and 11.1% (CPI +1%) for relet rents.
75. It is estimated that in order to deliver the Councils existing capital programme and revenue services a rent increase of 9% would be required in 2023/24. A cap on the rent has been confirmed at 7%, which has resulted in a budget gap.
76. The cap on rents for 2023-24 will have a long-term impact on the HRA business plan. The reduction in rent from 11.1% to 7% will reduce rental income in the business plan by £116m over the next 30 years.
77. The table below shows the current average rent per week with the proposed rent increase for 2023/24:

Average Weekly Rent	2022-23	2023-24 @ 7%
Social	107.32	114.83
Affordable	183.18	196.00

78. Full approval for rents and service charges will be included in the Rent Setting report going to February Cabinet for approval.
79. **Financial Framework**
80. The updated HRA Business Plan has been assessed within the approved financial framework. As part of this assessment, financial metrics to assess the financial viability and affordability levels of the HRA have been reviewed.
81. The Business Plan is assessed on the following metrics:

Metric/Ratio	Measure	Description
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Interest Cover Ratio (ICR)	1.25 minimum	<ul style="list-style-type: none"> • This ratio determines whether the net cost of services (surplus) covers the borrowing interest expenses. • Ratio of operating surplus divided by interest costs
Loan to Value (LTV)	50% maximum	<ul style="list-style-type: none"> • This ratio measures the level of debt compared to the asset value of our stock • Outstanding debt divided by fixed asset value

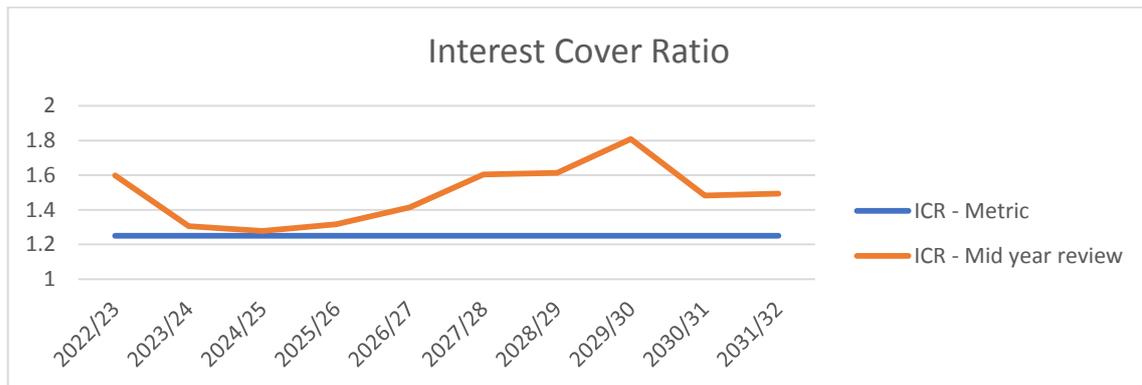
82. These metrics are based on successful operation of similar minimum/maximum metrics in the housing association sector. They represent a sound and effective way of managing borrowing and investment capacity.

83. However, in the current climate housing providers are projecting a reduction in the ICR ratio in the short term. The social housing regulators latest sector risk profile have suggested the following:

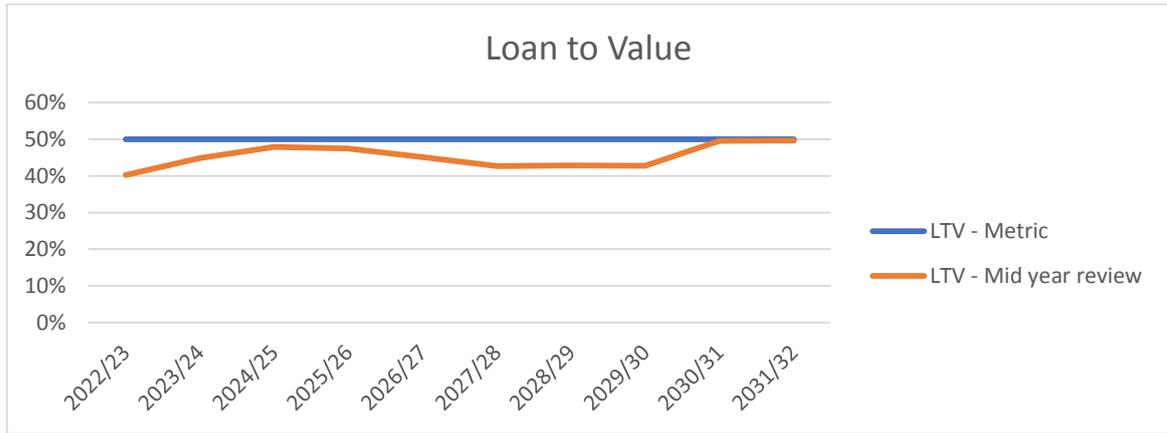
Latest forecasts show a continuation of the decline in providers interest cover over the past five years. A material number of providers are projecting less than 100% (or 1.00) interest cover in 2022/23. Reductions in interest cover are particularly driven by widespread forecast increases in spending on maintenance and major repairs. This reflects stock quality improvements – particularly energy efficiency, decarbonisation and safety – as well as works reprofiled during the pandemic and the effect of high inflation.

84. The financial metrics on the updated Business Plan are shown in the graphs below:

Graph 4



Graph 5



85. The mid-year review of the business plan has been measured against these metrics and shows in 2022-23 the current ICR is 1.6 and the LTV is 40%.

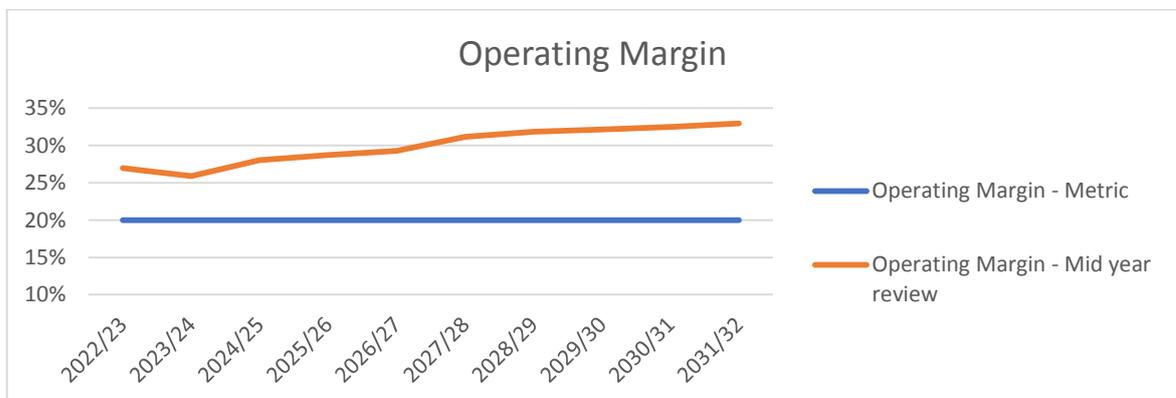
86. The ICR is slightly above the recommended metric showing that the net cost of the housing service can service the debt required to deliver the development programme. It should be noted that remaining above the recommended level is dependent on the revenue budget achieving the proposed savings as set out in the revenue section of this report.

87. The LTV metric is below the expected levels required and this is mainly due to borrowing levels. In order to continue to deliver Council priorities this investment is key. In the medium-term technology improvements will assist in driving service and financial efficiencies.

88. As well as funding metrics, we use the operating margin as an efficiency metric to allow us to compare to industry averages within the Local Authority and Housing Association sectors.

89. The industry average is between 20-25%, and the following graph shows the Enfield's position against this average:

Graph 6



90. This shows that Enfield is above the recommended operating margin and grows positively, this is driven in part by the net addition in stock over the long-term.

91. A minimum balance of 5% of the total revenue income (plus interest less depreciation) and 5% of the capital expenditure for the existing financial year, provides the Council with an 'assurance buffer' against unforeseen short-medium term variations to income and expenditure. The current minimum balance is £6m per annum, balances will not go below this level.
92. The updated HRA Business Plan remains affordable and sustainable. This position is underpinned by the following assumptions:

Table 7

Assumption	Current	Proposed
Inflation (CPI)	3.1%	10.1%
Efficiency savings per annum	£1m	£1m
Borrowing levels	£622.6m	£572.4m
Borrowing Rate	2.5% until 22-23, then 3.5% for life of plan	4.5% 23-24, then 5.5% for life of plan
Income from disposals	£1m	£1m
Development Programme delivery period	14 years	15 years
Build cost per unit	New build £400k (AHP) Regeneration £450k New build £350k post AHP	New build £400k (AHP) Regeneration £450k New build £350k post AHP
Net Present Value (NPV) assessment criteria	- £60k per unit	Between -£60k and a Positive NPV
Repayment period	50 years	50 years (60 years for Joyce & Snells)
Grant Levels per unit	Max Affordable £150k & Shared Ownership £50k	Max Affordable £150k & Shared Ownership £50k
Private Sale & Shared Ownership sale value per unit	£400k	£400k
Shared Ownership rents	2.75% on unsold share	3% on unsold share, increased annually by RPI
Contingency within each project	10%	24%
Minimum reserve levels	£6m	£6m

93. The proposed changes in assumptions are based on market knowledge and will enable the service to manage the risk of the future programme. The assumptions have been reviewed in the wider Housing sector to ensure they are reasonable in the current climate.
94. The main changes are described below:
95. The NPV hurdle criteria per unit has been reviewed in light of the increase in borrowing costs and other financial pressures to the Business Plan. Moving to a positive NPV will ensure the development projects adds financial value to the plan, the investment makes financial sense and assists in managing risk through the economic cycle.
96. Future assessments completed on development schemes will be based on these measures. Some schemes will perform better than others with cross subsidy assisting in approving schemes hurdle rates.

97. When purchasing a shared ownership home, you need to pay rent to the Landlord (the Council) for the share you do not own. Its proposed to increase the rent from 2.75% to 3% on the share owned by the Council. This rent charge will increase annually based on the RPI for the last 12 months plus up to 0.5%. Full approval for rents and service charges will be included in the Rent Setting report going to February Cabinet for approval.
98. Market testing on projects that are at planning/tender stages, has shown a 10% build cost inflation along with material supplies being constrained. Therefore, we have increased the contingency requirement for each project to assist us with managing further increases in inflation.

Financial Risks

99. The Base case is predicated on a suite of assumptions which can, if changed in isolation or in concert, have a significant impact on the position of the Council's HRA.
100. Adverse changes in these assumptions therefore present a risk to the HRA, the key risks are as follows:
 - a. Long term future rent uncertainty – any rent reductions or freezes will have a significant impact on the Business Plan.
 - b. The build cost is based on market intelligence and may in some circumstances be higher as the market is extremely volatile. Significant cost increases experienced due to combined impact of Brexit, Covid-19, the war in Ukraine and constrained supply chains have had an impact on the delivery of the programme. Market conditions will be monitored closely as any impact on build costs would impact the number of units we are able to deliver. A 24% contingency will be built into all future project budgets to mitigate this risk.
 - c. There are c. 600 private sales units built into the plan, depending on market conditions the sale of these units could add financial pressure to the business plan and impact on cashflow if the sales were delayed.
 - d. Changes in grant conditions could impact the future development programme i.e. reduction in rent levels and grant receivable. The new AHP has been agreed but this is predicated on grant conditions being met in full. Beyond 2026 there is no confirmed grant allocations
 - e. Borrowing rates are assumed at 5.5% in the 30-year business plan - if this rate was to increase this would affect borrowing capacity and will impact on the viability of the business plan.
 - f. The business plan is based on achieving reductions in Management and Maintenance costs (c. £1m per annum). If these savings aren't achieved it could impact on the affordability of the proposals included.
 - g. Decent homes 2, future building regulation changes and the zero-carbon agenda, will require additional funding in the long term, there is currently no long-term funding built into the Business plan.

Safeguarding Implications

101. There are no safe-guarding implications

Public Health Implications

102. Good quality housing plays an essential role in improving public health and wellbeing.

Equalities Impact of the Proposal

103. The HRA 30-Year Business Plan supports the delivery of high-quality services that promote equality and values diversity

Environmental and Climate Change Considerations

104. There are no Environmental and Climate Change considerations

Financial Implications

105. The financial implications are implicit within the body of the report.

Legal Implications

106. Section 74 of the Local Government and Housing Act 1989 sets out that Housing property must be accounted for in the Housing Revenue Account (HRA) by reference to the powers under which it is held. Furthermore, there is a statutory requirement whereby the Council is obliged to keep its HRA separate from other housing activities and not to allow cross subsidy to or from the Council's General Fund resources. In addition, under Section 151 of the Local Government Act 1972 the local authority is required to make arrangements for the proper administration of its financial affairs.
107. The Council has a duty to disclose specific HRA information and its operation as set out in the Housing Revenue Account (Accounting Practices) Directions 2016.
108. On 10th November 2020 Government guidance on the operation of the HRA ring-fence was published. The guidance highlights the need to be fair to both tenants and Council taxpayers and that there should be fair and transparent apportionment of costs between the HRA and the General Fund in accordance with the legislation.
109. Under sections 167-175 of the Localism Act 2011 new provisions were introduced which ended the HRA subsidy system and replaced it with self-financing arrangements. Section 171 empowered the Secretary of State to make provision relating to the level of indebtedness.
110. Under Regulation 12 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) local authorities are required to use Right to Buy receipts to pay the "poolable amount" to the Secretary of State on a quarterly basis.

111. On 29th October 2018, the HRA borrowing cap was abolished and as a result local authority with an HRA are able to borrow against their expected rental income provided this is in line with the current CIPFA Prudential Code.
112. By section 24 of the Housing Act 1985 (as amended) (“the 1985 Act”) the Council has a broad discretion in setting such reasonable rents and other charges as it may determine and must from time to time review rents and make such changes as circumstances may require. This is subject to the 1985 Act’s requirements for notice of a variation which can only take effect four weeks or the rental period (whichever is longer) from the date on which it is served.
113. Further, pursuant to the Housing and Regeneration Act 2008 the Secretary of State has made a direction on the rent standard, which imposed a requirement on the regulator of social housing to set a rent standard in accordance with the policy statement, with effect from April 2020. This now must be complied with in setting and changing rent levels for social rent and affordable rent housing.
114. The Council also has the power pursuant to the 1985 Act to alter, repair or improve its housing stock and a duty under the Landlord and Tenant Act 1985 (as amended) to ensure repairs to its properties are carried out effectively and in a timely manner. Furthermore, under the terms of the leases granted under the right to buy scheme, the Council has an obligation to leaseholders to repair and maintain its housing stock.
115. It should be noted that if the Council wishes to dispose of land or property in the HRA or provide financial assistance the consent of the Secretary of State may be required unless such disposals fall within the General Disposal Consents in Section 32 Housing Act 1985.
116. In respect of the Council’s public sector equalities duty, current equality impact assessments should be kept under review in case of policy changes.

Workforce implications

117. There are no workforce implications

Property Implications

118. All Property Disposals will be subject to the council’s Property Procedure Rules ensuring best value for the HRA Business Plan.

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Date of report:

Appendices: A & B 30-year Revenue and Capital budgets;

Background papers: Q2 HRA monitoring 2022/23

Proposed Revenue budget for 30 years - Appendix A

Proposed HRA Revenue Budget 30 years

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-52
	£m	£m	£m	£m							
Dwelling Rents	-57.8	-61.6	-68.1	-71.1	-76.0	-81.7	-85.1	-87.6	-90.3	-93.3	-2,336.5
Service Charges Tenants	-3.4	-3.7	-3.9	-4.1	-4.2	-4.4	-4.6	-4.7	-4.8	-4.9	-122.1
Service Charges Leaseholders	-5.0	-5.7	-6.2	-6.4	-6.5	-6.6	-6.8	-6.9	-7.0	-7.2	-177.8
Voids	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1.0	23.7
Non-Dwelling Rents	-3.3	-3.7	-3.9	-4.0	-4.1	-4.1	-4.2	-4.3	-4.4	-4.5	-111.2
RTB Administration Income	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-1.0
Total Income	-69.1	-74.3	-81.6	-84.8	-90.0	-96.1	-99.8	-102.6	-105.7	-109.0	-2,724.8
Responsive Repairs	15.5	17.1	18.3	18.8	19.9	20.6	21.2	21.7	22.2	22.7	566.9
Supervision & Management	15.5	16.8	17.9	18.4	19.5	20.2	20.8	21.2	21.7	22.3	555.6
Special Services	7.0	7.8	8.1	8.3	8.5	8.6	8.8	9.0	9.2	9.3	231.7
Rents Rates Taxes & Other Charges	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	7.8
Bad Debt	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1.0	22.9
Depreciation of Fixed Assets Total	11.3	12.3	13.3	13.8	14.6	15.4	16.0	16.4	16.9	17.4	432.8
Expenditure	50.5	55.1	58.7	60.5	63.7	66.1	68.0	69.6	71.3	73.1	1,817.8
Net (Cost) Of Services	-18.6	-19.2	-22.9	-24.3	-26.4	-29.9	-31.8	-33.0	-34.4	-35.9	-907.0
Loan Interest	11.6	14.7	17.9	18.6	18.6	18.7	19.7	18.2	23.2	24.1	462.8
Interest Income	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-13.6
Notional Cash Interest	-0.1	-0.7	-0.2	-0.1	-0.2	-0.6	-0.4	0.0	0.0	0.0	-33.4
Capital Account Adjustments	11.4	13.9	17.5	18.3	18.2	17.8	19.0	17.9	22.9	23.7	415.9
Net Operating Income / (Expenditure)	-7.3	-5.4	-5.3	-6.0	-8.2	-12.1	-12.8	-15.0	-11.5	-12.2	-491.1

Proposed Capital budget for 30 years - Appendix B

Proposed HRA Capital Budget 30 years

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-52
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CAPITAL PROGRAMME											
HRA Planned Renewals	40.0	50.0	50.0	16.6	19.7	16.9	14.8	22.6	22.4	28.2	582.7
New Build Properties - Eligible	23.6	12.0	22.1	9.9	0.6	2.0	1.4	4.4	3.1	0.0	4.0
New Build Properties - Non-Eligible	61.5	82.9	42.2	83.1	36.4	62.0	45.9	96.4	97.5	15.3	682.5
Total Capital Programme	125.1	144.9	114.2	109.6	56.7	81.0	62.0	123.4	123.0	43.5	1,269.2
CAPITAL FINANCING											
HRA Use Of Major Repairs Reserve	-11.3	-12.3	-17.6	-13.8	17.8	-40.4	-15.7	-16.4	-16.1	-16.9	-33.8
Borrowing	-40.5	-56.0	-58.0	-13.0	0.0	-0.5	-19.0	-11.0	-90.0	-16.0	-88.0
Grant Funding	-33.2	-36.0	-4.2	-65.7	-18.1	-0.8	-13.3	-90.1	-10.9	-2.7	-187.2
Useable One-to-One RTB Receipts	-12.3	-8.3	-7.7	-4.8	-4.7	-7.4	-1.7	-1.9	-2.1	-2.2	-81.5
Other RTB Useable Capital Receipts	-2.2	-1.0	-1.0	-1.0	-1.1	-1.1	-1.1	-1.1	-1.2	-1.2	-31.7
Other Sources Of Finance	-29.6	-20.9	-13.5	-11.3	-50.6	-30.7	-11.1	-2.8	-2.8	-4.5	-738.0
Revenue Contributions To Capital Total	3.8	-10.4	-12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-109.1
Total Capital Financing Detail	-125.1	-144.9	-114.2	-109.6	-56.7	-81.0	-62.0	-123.4	-123.0	-43.5	-1,269.2

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London Borough of Enfield**Cabinet****14th December 2022**

Subject: Second Revenue Update: General Fund and Dedicated Schools Grant 2022/23**Cabinet Member: Cllr. Tim Leaver, Cabinet Member for Finance & Procurement****Executive Director: Fay Hammond, Executive Director Resources****Key Decision: 5490**

Purpose of Report

1. The report explains how the Council's income and expenditure compares to the original budgeted position for 2022/23 based on forecasts as at the end of August 2022. The report also provides the forecasted outturn for the Dedicated Schools Grant (DSG). This is the second update for 2022/23 presented to Cabinet following the quarter 1 report in September 2022.
2. This report is set out as follows:
 - i. [Overview of the general fund budget 2022/23](#)
 - ii. [A review of the key issues that have been identified in the forecast outturn.](#)
 - iii. [Other underlying budget pressures on the budget by Directorate \(excluding the impact of Covid-19\)](#)
 - iv. [A review of the Covid-19 budget pressures by Directorate](#)
 - v. [Collection Fund for Council Tax and Business rates](#)
 - vi. [An update on progress of savings and income to be delivered in 2022/23](#)
 - vii. [Forecasts for the Flexible Use of Capital Receipts in 2022/23](#)
 - viii. [A summary of the Dedicated Schools Grant \(DSG\) financial position](#)
 - ix. [Forecasted levels of Reserves as at the end of the 2022/23 financial year](#)
 - x. [Consideration of the medium term financial implications](#)

Executive Summary

3. A number of factors are combining and continue to present a very challenging and unprecedented financial position for the London Borough of Enfield, and this is reflected within the second General Fund revenue forecast for 2022/23.
4. The forecast aggregate overspend for 2022/23 against the base £260m General Fund budget that was agreed in February, prior to application of any reserves, is £31.8m. Planned use of reserves (including Covid-19 reserve) brings this overspend down to a residual £16.7m which reflects an increase of £4.1m on quarter 1. In summary, the key themes and notable changes from quarter 1 are:
 - i. Notable inflationary pressures of £10.4m across energy and fuel inflation and estimated pay award costs in excess of those budgeted for. This reflects the estimated increase from national pay award negotiations and recent property rationalisation in the Civic centre to reduce costs.
 - ii. £6.7m increase in demographic costs in excess of those budgeted for in adult social care £2m; children's services £1.9m; temporary accommodation £2.5m; SEN Transport £0.3m. Whilst ASC demography has remained the same, the last couple of months has seen a sharp increase in Children's Social care external care placements. The Housing market, specifically that of the Private Rented sector has stagnated resulting in shortages in supply of temporary accommodation provision leading to the need for more expensive accommodation such as commercial hotels.
 - iii. Offset by £3m contingency held for this purpose.
 - iv. £2m of unrealised income forecast in parking, cemeteries and planning. This reflects an improvement in the cemeteries income forecasts.
 - v. £1.9m of cost pressures in digital services.
5. Annually the Council considers as part of budget setting estimates for demographic and inflationary and pay award increases. In 2022/23 these estimates, based on best known information at that time were included growth in total of £22m which included estimated pay award of 2% (as did 2/3rds of other London Boroughs) and specific allocations for demographic and inflation costs at that time. In addition, prudently, a £3m contingency is held corporately should unanticipated cost pressures arise not previously budgeted for. However, subsequently, energy inflation, pay award expected beyond the 2% budgeted for and rising demand has placed significant budget pressures in excess of those budgeted.
6. Financial resilience has always been a top priority for this Council and the current financial position continues to require management and is in a context of inadequate local government funding. Currently there is no additional funding anticipated from the government to support Councils with the impact of these in year inflationary increases. This means that the Council, alongside the wider local government sector, is in a position of needing to identify in year savings to address these cost pressures. Further, where these are not able to be made, the Council will need to

access risk reserves as needed. Needless to say, these are of course, one-off funds to support what are likely to be ongoing costs and therefore the medium-term financial plan will need to be recast to reflect this.

7. Forming part of the overall position outlined above, the Covid-19 impact continues to be monitored as a discrete element and totals £9m. The impact of Covid-19 is anticipated to continue throughout 2022/23 and beyond and includes increased costs and ongoing lost income. The Council has a £15m specific Covid-19 earmarked reserve and no further Government grants relating to Covid-19 are anticipated. The Covid-19 reserve is finite, and officers are working on exit strategies for those areas with additional funding, however there is a risk of additional cost within the MTFP where this proves challenging.
8. The key areas of pressure continue to be felt in the Council's demand driven services such as:
 - i. Adult Social Care, specifically Older People and people with physical disabilities services,
 - ii. Children's Social Care,
 - iii. Homelessness services, specifically the provision of Temporary Accommodation.
9. Although interest rate rises have occurred, due to the profile of the capital expenditure, and the fact that the interest rate budget is prudently set, this is not expected to materially impact on our cost pressures in the current financial year. It will have an impact in future years for new borrowing and the refinancing of existing debt at the end of its term.
10. The impact of the cost of living crisis is also resulting in unfunded financial pressures on the Council of discretionary housing payment of £402k, down slightly from the quarter 1 forecast. The grant reduced in 2022/23 by £720k, with forecast expenditure at £2.1m. This will be a further call on the Council's limited reserves.
11. Contributing to the adverse forecast are amber and red rated savings i.e., not achieved or fully achieved in 2022/23. Where there have been delays or work continues to achieve them, they will continue to be monitored reported in the quarterly reports.
12. The potential impact on our available reserves as a result of this opening forecast is considerable – a £38m reduction in earmarked General Fund reserves (including £16.7m unplanned use of the risk reserve; £9m Covid-19 planned use of reserve), leaving a potential year-end balance of £104m. There is a balance to be struck between using these reserves for the purpose that they are intended (to smooth the impact of risk arising from this exceptional year) and to ensure financial resilience going forward in the context of an uncertain environment and financial settlement. In year budget cost reduction and savings strategy is needed including controls on staffing costs, cost pressure reviews, bringing savings forward and pausing capital projects. The Council will aim to protect our reserves in order to maintain financial resilience to ensure that our key services can be maintained.

13. The Dedicated Schools Grant outturn position is forecast to be £2.1m overspend and reflects an improved year on year position due to additional grant funding and slower increases in out of borough placements. This will increase the accumulated deficit carried forward to £14.7m.
14. 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.
15. 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.

Proposals

16. Cabinet is recommended to note:
 - a. The 2022/23 financial year the General Fund revenue forecast outturn position of £16.7m adverse variance, arising in the main from demographic and cost pressures exceeding the £22m budgeted growth and unanticipated inflationary increases across pay and energy.
 - b. Financial resilience remains a key priority for the Council and an in-year budget savings and cost control strategy is in place to protect the Council's reserve levels.
 - c. The potential drawdown on reserves and the impact this has on the forecast level of reserves. The £3m contingency will be required to achieve the General Fund forecast outturn and the planned drawdown from reserves of £2m will also be required.
 - d. The Covid-19 impact on the General Fund of £9.1m which will be funded from the Council specific Covid-19 earmarked reserve.
 - e. The Dedicated Schools Grant (DSG) revenue overspend of £2.1m, which is reflected in the balance sheet.
17. Cabinet is asked to require Executive Directors continue to work with Cabinet Members to robustly manage the underlying budget position, implement in year savings and further cost control measures deemed appropriate to the challenge faced, whilst managing, mitigating, and minimising the Covid-19 financial impact.
18. It is recommended that Cabinet Members note the potential forecast level of reserves and implications for 2022/23 and challenging financial position over the life of the MTFP.

Reason for Proposals

19. 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 ongoing financial position.

Relevance to the Council's Corporate Plan

20. 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 2022/23. 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

21. On the 24th February 2022, the 2022/23 budget was set by Council. New savings of £5.9m and new income generation plans of £2.8m were agreed for 2022/23. As part of the aim to continue to place the budget in a more resilient position, in 2022/23 £22m of growth was included to reflect the demographic, inflationary, investment and capital financing needs.
22. The budget covers the day to day operational expenditure and income of the Council and is funded from a combination of government grants, council tax and business rate income, to a limited extent fees and charges and reserves. Note, that the agreed original budget includes a prudent planned £3m contingency that for unforeseen inflationary and demographic pressures. The financial position is considered quarterly at Cabinet and by the Finance and Scrutiny Panel.
23. The body of the report will focus on the key issues contributing towards the forecasted position. The Appendices to the report provide further details on the other variances of at least £50k whether adverse or favourable.
24. For the last two years and continuing for 2022/23 at least, this report separately identifies how Covid-19 impacts on Council costs and reductions in income. The funding for Covid-19 related pressure is finite and now managed through the Council's earmarked reserve. Through the MTFP the Council must plan how to transition into the ongoing business as usual position. The balance at the beginning of 2022/23 is £15m but this finite and forecasts in this monitor total £9m, meaning that £6m remains to manage any increases in year and pressures in 2023/24.
25. The Council remains in a position for 2022/23 where it needs to manage its financial position. There is the continuing significant risk and uncertainty due to the legacy impact of the Covid-19 pandemic and the unprecedented inflationary economic context. The Covid-19 financial implications are under continuous review. The quarter 1 revenue forecast reflects these pressures and the Medium Term Financial Plan will also need to be updated to reflect the impact in 2023/24 and beyond.
26. The financial management key performance indicators set out in Appendix A.

Main Considerations for the Council

27. **General Fund Forecast**
28. The forecast aggregate adverse variance for 2022/23 against the base £260m General Fund budget that was agreed in February, prior to application of any reserves, is £31.8m. Planned use of reserves brings this adverse variance down to a residual £16.7m.

29. Each of the departments has generated a list of the key variances which are contributing to the forecast 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 in-year or permanent savings measures.
30. The approach of utilising Pressure Challenge Boards to review the most significant pressure areas identified in 2022/23 will continue in order to provide corporate challenge as well as generating additional options to mitigate future pressures.
31. The Covid-19 impact continues to be reported separately and totals £9m. The Council has a £15m specific Covid-19 earmarked reserve and no further new Government grants relating to Covid-19 are anticipated. The impact of Covid-19 is anticipated to continue throughout 2022/23 and beyond. However, it should be noted that the Covid-19 reserve is finite and whilst provides a short to medium term resilience, the Medium Term Financial plan will reflect the longer term impacts of Covid-19 where this can be evidenced.
32. 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. Specific management actions are referenced in the report but in summary include:
 - A series of service reviews building on the work of the pressure challenge boards work in previous years
 - Additional controls on recruitment of new staff and restructures across revenue and capital.
 - Increased expenditure controls including for example key contract reviews and ceasing non-essential spend.
 - Developing strategies in Homelessness to manage current and future demand. Note this is the subject of a separate decision.
 - Strategies are underway to improve recruitment and retention of social workers within Children's services.
 - Reviewing and developing the Council's exit strategy from the additional resources applied to Covid-19 related pressures.
 - Support more robust contract management activity to drive better value for money and identify potential cost avoidance or savings.
 - Review the use of higher weighting of quality over price in procurement.
 - Look for invest to save opportunities with automation; Civica module to reduce/remove on demand service, Digitalisation to remove printing.
 - In view of increasing interest rates, reviewing the capital programme to slow, pause, stop schemes which will then reduce the Council's borrowing requirement and therefore reduce Minimum Revenue Provision and interest payments.

33. The year-end budget position is set out in Table 1 below. It provides a comparison between the latest budget and the actual position. This is the total forecast position for the Council, including the effects of Covid-19. Table 2 sets out the Covid-19 associated pressures the Council is experiencing by department.

Table 1: General Fund Departmental Variances 2022/23 at Period 5

Department	Net Budget	Net Actuals @ P5	Net Forecast	Total Gross Forecast Variance	Flexible use of Capital Receipts	Covid-19	Specific Reserves	Total Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Chief Exec	9.591	5.443	10.464	0.873	(0.087)	(0.514)	0.000	0.272
People - Adult Social Care & Public Health	82.584	23.154	86.711	4.127	0.000	(1.000)	0.000	3.127
People – Children’s	46.449	22.385	53.741	7.292	(0.308)	(3.745)	(1.184)	2.055
People – Education	4.599	96.183	5.349	0.750	(0.500)	(0.280)	0.000	(0.030)
Place	31.716	16.583	40.850	9.134	(0.068)	(2.754)	0.000	6.312
Resources	29.971	16.743	36.870	6.899	(1.503)	(2.267)	0.000	3.129
Service Net Costs	204.911	180.491	233.986	29.075	(2.466)	(10.560)	(1.184)	14.865
Corporate Expenses	28.366	22.818	24.303	(4.063)	0.000	1.508	(0.019)	(2.574)
Inflation	5.250	0.000	12.700	7.450	0.000	0.000	0.000	7.450
Minimum Revenue Provision	17.508	0.000	19.836	2.328	0.000	0.000	(2.328)	0.000
Contingency	3.000	0.000	0.000	(3.000)	0.000	0.000	0.000	(3.000)
Bad Debt Provisions	0.791	0.000	0.791	0.000	0.000	0.000	0.000	0.000
Net Expenditure	259.825	203.309	291.615	31.790	(2.466)	(9.052)	(3.531)	16.741
Expenditure financed by:								
Business Rates	(97.426)	(20.456)	(97.426)	0.000	0.000	0.000	0.000	0.000
Council Tax	(139.361)	0.000	(139.361)	0.000	0.000	0.000	0.000	0.000
Other non-ring-fenced Government Grants	(21.053)	(12.590)	(21.053)	0.000	0.000	0.000	0.000	0.000
Planned Use of Reserves	(1.985)	0.000	(1.985)	0.000	0.000	0.000	0.000	0.000
General Fund Corporate Financing	(0.000)	170.264	31.790	31.790	(2.466)	(9.052)	(3.531)	16.741

Table 2: Summary of Covid-19 Impact by Department 2022/23

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	£m
Chief Exec	9.591	0.514	0.000	0.000	0.514
People - Adult Social Care & Public Health	82.584	1.000	0.000	0.000	1.000
People – Children’s	46.449	3.745	0.000	0.000	3.745
People - Education	4.599	0.280	0.000	0.000	0.280
Place	31.716	1.215	1.539	0.000	2.754
Resources	29.971	2.001	0.266	0.000	2.267
Service Net Costs	204.911	8.755	1.805	0.000	10.560
Corporate Expenses	28.366	(1.508)	0.000	0.000	(1.508)
Inflation	5.250				
Minimum Revenue Provision	17.508	0.000	0.000	0.000	0.000
Contingency	3.000	0.000	0.000	0.000	0.000
Bad Debt Provisions	0.791	0.000	0.000	0.000	0.000
Net Expenditure	259.825	7.247	1.805	0.000	9.052
Expenditure financed by:					
Business Rates	(97.426)	0.000	0.000	0.000	0.000
Council Tax	(139.361)	0.000	0.000	0.000	0.000
Other non-ring- fenced Government Grants	(21.053)	0.000	0.000		0.000
Reserves	(1.985)	0.000	0.000	0.000	0.000
General Fund Corporate Financing	(0.000)	7.247	1.805	0.000	9.052

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

General Fund – Key Issues

People Directorate – Adult Social Care

34. The 2022/23 Adult Social Care budget increased by net £4.3m (growth of £6m, less savings). However, continuing cost and demand pressures in this area result in a £3.1m forecast overspend, which remains consistent with the quarter 1 forecast. This is composed of inflationary impact of £1.1m, a further £2m of demand led pressure in excess of budget.
35. The inflationary impact exceeds the budget provision by approximately £1.1m. This has been a particular issue on domiciliary care rates which have increased by 5.99% due to national living wage and national insurance increases. Residential and Nursing rate increases have been mitigated through the implementation of a lean cost model developed across North Central London.
36. Other service demand and cost pressures total £6.1m are being experienced across all services; in the Older People and Learning Disabilities services care purchasing particularly Customer Pathway and Learning Disability Direct Payments. Over the last two years of the pandemic demand had reduced but this is now unwinding and demand is now on the increase.
37. For 2022/23 forecasts, the care package pressure described above has been mitigated through the use of *one-off funding* from Hospital Discharge Programme (£1.8m), Covid-19 Reserve (£1m), the Long Length of Stay/Virtual Wards Programme (£1.2m) and other Section 256 income (£0.2m), resulting in a net forecast overspend of £2m.
38. However, the mitigating use of one off income will create a further budget pressure of £3.2m to be included within 2023/24 onwards medium term financial plan. Further details on if and how much the Council will be allocated from the recent Government announcement of an additional £500m winter funding is still to be determined but could mitigate the loss of the one off funding, albeit with further one off funding.
39. The activity and unit costs over the last 3 years have significantly increased. Current care package forecasts assume that activity and costs remain at the same level for the rest of the financial year with an adjustment against Learning Disability budgets for new packages and assumed package savings. In a number of areas activity has increased quite significantly over the last 3-6 months and at this stage it is not possible to predict exactly when and if this activity will reduce and to what extent on individual budget areas.
40. Key assumptions within the forecast are based on projected activity and year to year trends. However, the continuing effects of Covid-19 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.

People Directorate - Children's Social Care

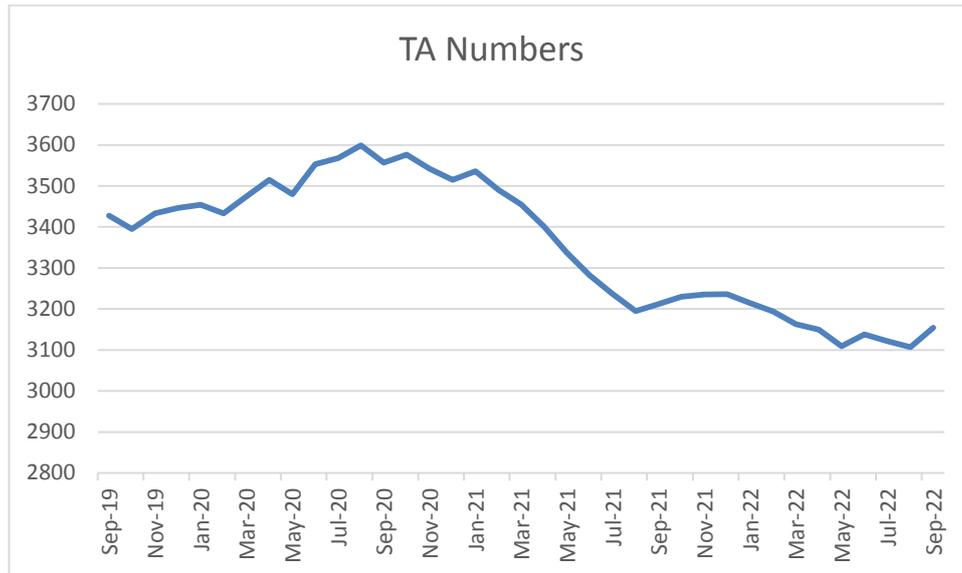
41. Children's Social Care services are statutory, and demand led, this means the service must be provided if the client meets the relevant criteria. These budgets are at risk from changes as the numbers of children requiring services grow.
42. The impact of the Covid-19 pandemic combined with the aftermath of national high profile child abuse cases and local demographic changes has led to a significant rise in demand. In addition to this, the complexity of need has heightened, requiring much higher levels of support for much longer periods for children and families. The presenting complexities have included adolescent mental health with suicidal ideation, violence and aggression, parental mental health issues and domestic abuse.
43. The significant adverse variance of £0.9m in Joint Service for Disabled Children remains unchanged from quarter 1. Although the budget has been increased by £0.5m, the service is experiencing significant increase in demand and complexity both from the existing and new clients. The team is now fully staffed and therefore the vacancy factor is causing £0.1m pressure on the budget.
44. In Looked After Children, the biggest challenge is the increased costs of residential care and enhanced support packages, causing an adverse variance of £1.1m due to the residential care market facing an extraordinary set of cost pressures and staffing sufficiency issues. The £0.7m increase from quarter 1 reflects the new placements made in the last 2 months and includes 20 new agency fostering placement, 2 new mother and baby assessments and 10 new semi-independent placements.
45. Strategies are underway to improve recruitment and retention of social workers. However, the number of vacancies, covered by the temporary agency workforce, still causes an overspend of £0.2m in Children in Need.

Place Directorate

46. The residual budget pressure after Covid reserve funding of £2.8m for Place directorate after reserve application is £6.5m. Homelessness remains the major constituent part of this pressure with a forecast adverse variance of circa £2.5m which represents an increase of £1.4m since quarter 1.
47. The market conditions noted in the quarter 1 report have continued to deteriorate and is the main contributing factor to the increasing pressure being reported. Landlords are leaving the market and therefore reducing supply (note the Council had seen a 62% decrease in Private Rented Sector). As a result, households are having to be placed in higher cost hotel accommodation and for longer periods as there is inadequate accommodation for residents to move out of TA.
48. This is exacerbating the situation where the service started the year with 244 more properties than were estimated when the budget was set in February. This is due to the additional demand arising during the pandemic. This has resulted in projected circa £1.7m in additional costs, assuming the current rate of exits from Temporary Accommodation is maintained. An increased number of exits will reduce this figure but any slowing of the rate will increase the overspend further. Included in these

additional costs are the property costs and impact on Housing Benefit subsidy and mitigating impact of additional decant income and forecast impact of the recently agreed rent increase. The number of properties requiring repairs is forecast to overspend by circa £122k.

49. Chart 1 shows the number of households in Temporary Accommodation over the last three years. The numbers hit a peak of 3,600 in July 2020 and now currently stand at 3,154 due to the success of the prevention focused model introduced.
50. Chart 1: Number of households in TA



51. The cost of prevention work also continues to contribute to the adverse variance, this is work undertaken to prevent families from entering TA in the first instance. The current projected impact across all the prevention activities is approximately £0.7m and this reflects how many families are approaching the Council for help. The work undertaken avoids cost for the Council in the long term. Despite the pressures described above and the number households presenting as homeless, the numbers of households being placed per month are not increasing. Further strategies which will mitigate the pressure and future demand pressures are being developed.
52. The second major contributing factor to the Place budget pressure is an under-recovery of Parking income against budget of £1.3m. This reflects an ongoing trend post Covid-19, with changing habits and behaviours, e.g. increases in working from home and increased on-line shopping. It is proposed and reflected in the monitor to apply £0.7m from the Covid-19 reserve reflecting the financial impact of these behavioural changes.
53. An additional pressure of £0.6m has resulted from the award of appeal costs incurred relating to rejected/overturned planning appeals.
54. There is further forecast income under-recovery within Planning (£0.5m – pre-planning applications and fees) and Cemeteries (£0.3m).
55. There is a £0.7m pressure within Passenger Transport Service which reflects fuel and contract inflation and non delivery of savings.
56. The final notable budget pressure is for clients with No Recourse to Public Funds (NRPF) of £0.2m being higher than budgeted. Rising energy costs

mean there is a risk this pressure could increase within block booked accommodation.

Resources

57. The residual Resources overspend after Covid reserve funding of £2.3m is £3.1m, an increase of £0.7m, with the key element of this being Digital Services, which has a budget pressure of £1.9m. This consists of a number of items, notably £0.4m additional contract costs of new projects with an ongoing revenue impact (reflects the increasing ratio of IT procurement being revenue based rather than capital). The profiled saving from the new CRM/CMS of £0.4m is unlikely to be achieved this year and will need to be reprofiled to 2023/24. Further smaller pressures include additional security team and security applications costs to combat cyber threats of £0.4m, additional resources to support the dual running of legacy systems £50k and agency resources covering Business as usual roles (£0.2m) due to challenges in recruitment.
58. The Finance function has a £450k residual forecast overspend. This relates primarily to additional agency staffing supporting the Corporate Team in managing 3 years audits of the accounts and also agency cover for some vacant posts. The closing of prior year accounts will negate the need for additional resource and senior finance officers are exploring all avenues to ensure the orderly closing down of outstanding issues with Enfield's external auditors, BDO.
59. The position for Customer Experience is a forecast £200k overspend which relates to unachieved savings on financial assessments.

Corporate Items

60. The Corporate Items residual overspend of £4.9m consists primarily of a £7.5m overspend against pay award and inflation, mitigated by accumulated underspends across a number of other budget headings of £2.6m.
61. A £5.3m inflation budget was built into corporate items as part of budget setting, which included £4.5m to fund a 2% pay award plus increased National Insurance Employers costs announced as part of Spring budget. The proposed (not agreed) pay award for 2022/23 is closer to 6% equating to an estimated £11m. A further £1.9m of pressure relates to energy costs overspend, with 90% of the indicative volume requirement already purchased. The use of the Civic Centre is being reviewed under a range of property rationalisation proposals and these are expected to reduce utility and Business rates costs and the impact of which will form part of future updates to Cabinet.
62. The Council pays an annual levy to the North London Waste Authority (NLWA). The NLWA like the Council monitor and report on their performance to budget. The NLWA are the sole owners of an energy generator and provider London Energy Limited (LEL). LEL generates electricity from the waste delivered to the facility and it is on track to gain significantly from the high prices being paid in the electricity supply market. This gain will be passed on to the 7 boroughs that form the NLWA and as such one month rebate will be given on the levy, this equates to £0.6m for

Enfield. This situation is to be reviewed over the coming months and may result in a further rebate.

63. The Minimum Revenue Provision is a charge that Councils are required to make in their accounts for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt). The underlying debt is needed to finance the capital programme.
64. The Minimum Revenue Provision forecast is £19.8m against a budget of £17.5m. This was expected and planned for in the budget setting, where the balance was planned to be drawn down from the MRP equalisation reserve. These forecasts are recalculated in line the capital programme forecasts and the next update will be provided at quarter 3.
65. **Other Departmental Monitoring Information – Budget Pressures and Mitigating Actions (net variance, excluding Covid-19)**
66. A breakdown of all other variances greater than £50k are detailed in Appendices B to E.

Covid-19 Impact (Appendix F)

67. **Chief Executive's: net budget is £9.6m; the total additional costs of £0.5m (5%)**
68. The costs relate to the additional legal cover required to deal with the increase in Children's social care cases which continues as expected into 2022/23.
69. **People: Adult Social Care (ASC) and Public Health – net budget is £82.6m; the total additional costs of £1m (1%)**
70. The impact on Adult Social Care (ASC) continues to be additional cost associated with the ongoing impact of the pandemic. The current forecasted impact directly on the department is £1m. This includes workforce pressures across the department, the long-term impact on care purchasing resulting from delayed/cancelled routine operations and other factors including the impact of long Covid and the demographic impact.
71. **People: Education – net budget is £4.6m; the total additional costs are £0.3m (6%)**
72. These costs include additional support staff resources 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 took place in four of the borough's secondary schools in 2021/22, costing circa £48k, this has now been extended across all schools in the borough and will cost £0.2m.
73. **People: Children & Families – net budget is £46.4m; the total additional costs of £3.7m (8%)**
74. The most significant cost relates to circa £1.7m pressure in care placements, block-booking, and the need for at-home support packages to

safeguard, particularly but not exclusively, children with SEND and/or severe emotional and mental health.

75. The need for additional staffing resources remains in 2022/23 due to increased demand, with circa £1.4m for addition staff predominantly sourced via agencies and fixed term posts, and a further £0.1m required to recruit and retain social workers.
76. The continuing high numbers of referrals to the service has led to an operational decision to spend £0.4m to address the spike in demand for provision of Child and Family Assessments, inflicted by pandemic, to clear a backlog and reduce caseloads in the Assessment Service while the current recruitment initiatives are fully implemented.
77. **Place – net budget is £31.7m; the total additional costs and income loss of £2.7m (9%)**
78. Temporary additional resources have been required in the Planning service to implement workload recovery and backlog management plan in response to the pandemic. This was always going to span financial years with £0.2m the cost in this year and was included in the Covid-19 pressures noted at budget setting.
79. Some costs of providing the Testing Units, Covid Marshals and Locally Supported contact tracing have slipped into 2022/23 at a cost of £75k.
80. The Covid-19 related cost in Housing is £0.9m, as the service continues the housing and support to protect rough sleepers and impact the pandemic has had on the services ability to deliver the Homelessness Strategy.
81. The sales, fees and charges compensation scheme stopped after Q1 in 2021/22 but the Council's loss of income continues to be a pressure across services, with the more significant pressure being felt in Planning, Culture, Parking and Community Halls, Youth Centres and now includes the continuing impact of behavioural changes on parking receipts. The total estimated loss of income is £1.5m.
82. **Resources: net budget is £30m; the total estimated additional costs of £2.3m (8%)**
83. The most significant impact identified in Resources services relate to additional resources required in the Financial Assessments Team (£0.8m) and the Income Collection (£1m) to manage and recover from the pandemic.
84. There is a loss of income across services in the department of £0.2m with the most significant being in school catering which continues from last year though not at the same extent.
85. **Corporate Items: net budget is £54.9m (including corporate contingency); reduction in spend of £1.5m**
86. The Concessionary Fares budget, which is our budget for the Freedom Pass within London, sits within Corporate Items. The charge for each of the London boroughs is calculated based on historic usage of the travel network within London. The impact of Covid means that, for the short to medium term, we see a reduction in our charge where usage data is lower

than pre-covid levels. For 2022/23 we therefore see a reduced charge giving an underspend against budget of £1.5m.

87. Further details of Covid-19 variances are provided in [Appendix F](#).

Collection Fund

88. The movement in reserves for 2022/23 is a net drawdown of £4.9m. This is broken down in to:

- £6.9m of 2021/22 Business rate reliefs to be repaid (this was put into the reserve in 2021/22)
- £1.9m of Business rate reliefs (CARF) to be added to the reserve and then repaid in 2023/24.

Flexible Use of Capital Receipts ([Appendix G](#))

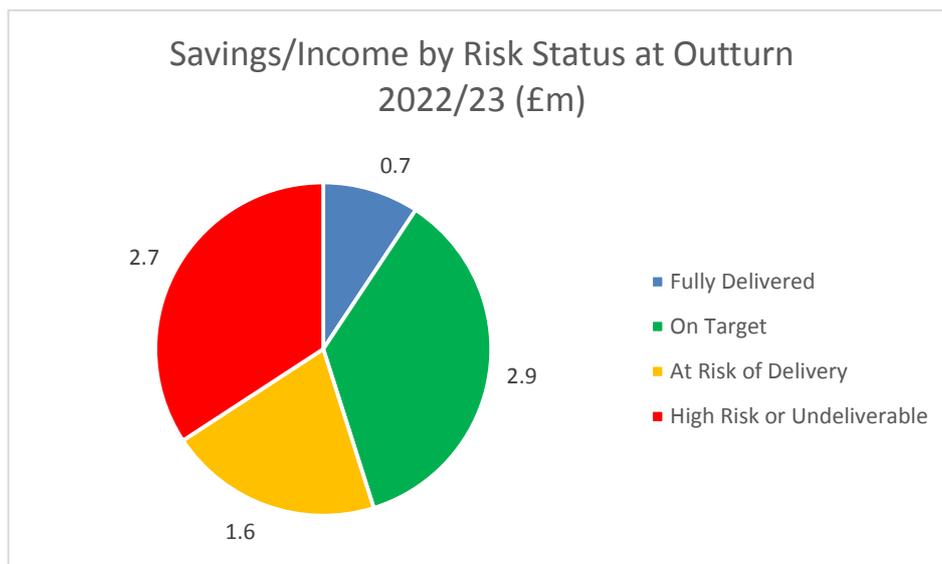
89. With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise capital receipts for revenue purposes. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services, and/or transform service delivery to reduce costs or demand for services in future years for any of the public sector delivery partners. The Government has continued to extend this flexibility and provide specific guidance covering purpose and transparency in the use of this.
90. 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.
91. 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.
92. The Budget Report 2022/23 set out the plan for use of capital receipts this financial year with a total of £3.4m originally planned. The latest forecasted position remains at a total of £2.4m with the full details provided in [Appendix G](#).

Achievement of Savings ([Appendix H](#) and [Appendix I](#))

93. 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
94. The savings include those that are new for 2022/23 plus the full year effect of previous decisions.
95. Of these £3.6 was fully delivered or on track for delivery at this stage.

96. However, £1.6m and £2.7m are amber or red risk status. These risk ratings are reflected in the forecast outturns for each department. Departments are working on mitigating actions to bring delivery back on track e.g., Parking and Homelessness. Where this is not possible then these will be reflected in the MTFP update for 2023/24.

97. Chart 2: Savings/Income Risk Status 2022/23



98. Further details for each department are summarised in the charts and tables in [Appendix H](#) and [Appendix I](#).

Dedicated Schools Grant (DSG) (Appendix J)

99. For 2022/23 Enfield received a final, gross Dedicated Schools Grant allocation of £381m (as at March 2022) and the funding is allocated across four blocks; £285.5m for the Schools Block, £2.5m for the Central Schools Services Block, £25m for the Early Years Block and £68m for the High Needs Block.
100. In 2021/22 there was a bought forward DSG deficit of £8m but due to ongoing High Needs pressures there was a net in year overspend of £4.6m resulting in a cumulative outturn deficit of £12.6m which was bought forward to 2022/23.
101. 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.
102. For this latest forecast, there is a projected in year overspend of £2.1m. This would increase the cumulative deficit is £14.7m. 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 full year effect of early intervention strategies introduced in 2021/22. The cost of out of borough placements is projected to be within budget at this stage but could change with new and changed placements at the start of the new academic year.

103. Whilst still a forecast overspend the year on year pressure has reduced due to an increase in funding and declining increases in out of borough placements as described above.
104. 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.

Earmarked Reserves

105. Table 3 below summarises the final balances for 2021/22 and the forecast outturn position for 2022/23:

	2021/22 Outturn Balance	2022/23 Forecasted Balance
	£m	£m
Risk Reserve	(25.471)	(22.813)
Covid-19 Risk Reserve 2021/22	(15.000)	(5.948)
Balance Sheet Management	(3.331)	(3.331)
Collection Fund Equalisation Reserve	(13.628)	(8.728)
Housing Benefit Smoothing Reserve	(4.480)	(4.448)
Adult Social Care Smoothing Reserve	(3.697)	(3.697)
NLWA Reserve	(0.628)	(0.627)
MTFP Smoothing Reserves	(40.764)	(26.779)
Capital Financing	(25.139)	(22.792)
Service Specific	(15.736)	(15.065)
Property	(1.372)	(0.636)
Grants & Other Contributions	(13.783)	(12.334)
Sub-total GF Usable Reserves	(122.265)	(100.419)
Insurance	(7.022)	(7.022)
General Fund Balance	(13.949)	(13.949)
GF Earmarked Reserves	(143.236)	(121.390)
Schools	0.387	0.387
Total Reserves & Balances	(142.849)	(121.003)
Potential Risk Reserve Drawdown		16.741
Total Reserves & Balances		(104.262)

106. It is important to recognise that the reserves overall are limited, especially against a backdrop of challenging savings targets, the ongoing impact of the pandemic and continuing inflationary pressures that have emerged in

the last few months. 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.

107. The risk reserve had been strengthened over the last two years with the final outturns in 2020/21 and 2021/22 has meant that the Council has been able to further strengthen the risk reserve and starts the year with a balance of £25.5m. However, given the adverse forecast outturn of £16.7m this could be a potential drawdown from the reserve.
108. Given the ongoing financial uncertainty created by the pandemic a specific Covid-19 reserve was created and whilst this has not been required in 2021/22 it is anticipated that balance will be required in 2022/23 and beyond. The reserve was bolstered at year end and starts with a balance of £15m. The budget report for 2022/23 set out circa £7m that will be required in 2022/23, this second update increases this need to £9m as detailed in the paragraphs 67- 87 and reducing the remaining balance for future years to £6m.
109. The General Fund Balance remains at £14m (on a net budget of £260m, i.e., 5.3%). 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 2022/23 considering the new inflationary risks and uncertainty brought about by Covid-19.
110. The £22.4m of Smoothing Reserves relate to Council Tax (£139m) /Business Rates (£97m), Housing Benefits (£224m claim per year), Adult Social Care and the North London Waste Authority levy and provide resilience in the budget to manage annual fluctuations. These are forecast to reduce to £17.5m by the end of the year, predominantly due to the repayment of business reliefs.
111. The £23.4m of Capital and Minimum Revenue Provision reserves are committed for the next five years to smooth any increased budget requirement. The drawdown of £2.3m from the MRP reserve was planned when the budget was set.

Medium Term Financial Impact

112. The Council is in a financially challenging position. There is ongoing significant risk and uncertainty due to the legacy impact of the Covid-19 pandemic, unprecedented inflationary pressures, cost of living crisis and demographic pressures exceeding government grant levels. These are set out in more detail below and will need to be considered as part of the medium term financial plan in the Autumn.
 - The ongoing anticipated impact of Covid-19 on Council Tax and Business Rate debt.
 - 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 and more recently the state of the Private Rented Sector market and its impact on finding suitable accommodation for people.
 - 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.
 - Despite seeing an improving position in some service, uncertainty remains on the ongoing impact of Covid-19 and cost of living on Council fees and charges income.
 - Changes in working patterns and lifestyle impacting on car park income, waste services.
113. 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 government funding for the legacy costs and lost income arising due to Covid-19 exacerbates this position.
114. New financial challenges face the Council in 2022/23 such as the cost of living crisis and the rapidly increasing inflationary pressures. These will impact of the Council's contract costs and services are already experiencing increase in costs of fuel and energy prices.
115. The pay award for 2022/23 is all but agreed and at a higher level than built into the quarter 1 forecasts and will exceed 2%. This will result in additional ongoing cost pressure and this is reflected in this second forecast.
116. Full details of the of the 2022/23 budget and MTFP 2022/23 to 20265/27 can be found in the Budget Report 2022/23 and Medium-Term Financial Plan 2022/23 to 2026/27 report (KD5352) which went to Cabinet on the 24th February 2022.
117. **Safeguarding Implications**
118. 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.
119. **Public Health Implications**
120. 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.
121. 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.

122. Equalities Impact of the Proposal

123. 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.

124. Financial reporting and planning are important in ensuring resources are used to deliver equitable services to all members of the community.

125. Environmental and Climate Change Considerations

126. None in the context of this report.

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

128. None in the context of this report.

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

130. The budget risks identified in 2021/22 will continue to be monitored through 2022/23 through Pressure Challenge Boards. Detailed revenue monitoring reports will be provided regularly to Cabinet. Departments will take action to minimise budget pressures and align departmental spend to budgets.

131. Financial Implications

132. Financial implications are implicit in the body of the report.

133. Legal Implications

134. 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.

135. Workforce Implications

136. None in the context of this report.

137. Property Implications

138. None in the context of this report.

139. Other Implications

140. None in the context of this report.

141. Options Considered

142. Not relevant in the context of this report.

143. Conclusions

144. Despite the year end positive financial position at the end of 2021/22, the Council has not lost sight of the fact that it continues to face its most significant financial challenge. The work undertaken in previous years to create a robust and sustainable budget has placed the Council in a stronger position to meet this challenge.

145. The Covid-19 impact continues to be monitored and in previous years Government funding was sufficient to meet the Covid-19 impact, any new grants are not expected and therefore the Council depends on the Covid-19 earmarked reserve it has established to manage these pressures.
146. In addition to the continuing challenge of the pandemic, the new challenges that have emerged in the first half of this calendar year, namely the cost of living crisis with increasing inflationary pressures, not only impact on our residents but evermore increasing on the services the Council provides. Mitigating actions are being put in place to manage the forecast pressures but the Council must continue to be prudent in its spending to reduce and minimise the forecast overspend.

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Appendices

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

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

[Appendix C: People Variances](#)

[Appendix D: Place Variances](#)

[Appendix E: Resources Variances](#)

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

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

[Appendix H: Achievement of Savings](#)

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

[Appendix J: Dedicated Schools' Grant Variances](#)

Background Papers

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

- Revenue Outturn 2021/22 – KD5465
- Budget Report 2022/23 and Medium Term Financial Plan 2022/23 to 2026/27 (KD5352)
- Revenue Q1: General Fund and Dedicated Schools Grant 2022/23 (KD 5481)

Financial Resilience Key Performance Indicators

A summary overview of financial performance is outlined below. 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.

Financial Indicator	Status	Key Highlights
Income & Expenditure Position – General Fund year end forecast variances		The forecast outturn is a £16.7m adverse variance after the utilisation of the £3m contingency.
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 £1.6m that are at risk of delivery. These are reflected in the reported outturn position.
Income & Expenditure Position – DSG		The DSG forecast is a £2.1m overspend against budget. Therefore, the cumulative deficit is forecast to be £14.7m and will be the first call on the 2023/24 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.

Chief Executive	Net Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance Q2	Net Forecast Variance Q1
	(£m)	(£m)	(£m)	(£m)	(£m)
Human Resources & Organisational Development HR staff savings are forecast due to having vacant posts. The 80k flexible use of capital receipts relates funds the HR transformation manager. There are adverse variances in OD due to part year effect of restructuring.	2.230	0.099	(0.046)	0.053	0.036
Electoral Services A £67k overspend was forecast relating to the postage and printing cost for the annual canvass which had been funded by government grant that has now been ceased.	0.612	0.135	0.000	0.135	0.067
Other variances	6.749	0.125	(0.041)	0.084	0.046
Chief Executive Total	9.571	0.359	(0.087)	0.272	0.149

[Return to Chief Executive Narrative](#)

People	Net Budget (£m)	Gross Forecast Variance Q1 (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q2 (£m)	Net Forecast Variance Q1 (£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. At this stage there is no net forecast variation against this service with additional staffing costs in year offset using Better Care Funding.	7.883	0.000	0.000	0.000	0.000
Mental Health – This forecast is currently forecast to underspend by £91k mainly due to a forecast underspend against care purchasing.	6.823	(0.091)	0.000	(0.091)	(0.091)
Learning Disabilities - This service includes the in-house day services. The service is projecting an overspend of £2.060m primarily due to the increasing number and cost of care packages. All packages of care are subject to ongoing scrutiny to ensure they are delivered in the most cost-effective way, and this is expected to continue to deliver savings throughout the year. However, demand for services continues to rise as a result of demographics, particularly complex and expensive transition cases with the service now facing the full year impact of 2021/22	29.592	1.970	0.000	1.970	1.970

transition cases as well as new transitions in 2022/23.					
<p>Older People and Physical Disabilities (the Customer Pathway)</p> <p>The service is currently facing significant financial pressures, particularly in relation to care purchasing. In the last 6 months activity levels have increased quite significantly following a period of reduced activity during the covid pandemic. Current care package forecasts assume that, on average, activity and costs will remain at the same level for the rest of the financial year. One-off funding from Health of just over £3m has been assumed to mitigate this additional pressure in the current year leaving a forecast overspend of £1.248m. However, if activity levels continue to increase this will increase the budget overspend in 2022/23 and create a potential ongoing risk in 2023/24.</p>	40.558	1.248	0.000	1.248	1.248
<p>Supporting People - there is no forecast variation against this service.</p>	2.709	0.000	0.000	0.000	0.000
Adult Social Care Sub Total	87.565	3.127	0.000	3.127	3.127
<p>Public Health Grant</p> <p>The Departmental forecast also includes the ring-fenced Public Health Grant. The Public Health grant in 2022/23 is £18.024m, this reflects an increase in the grant of 2.8%, compared to 2021/22. The Public Health Service will deliver savings of £0.425m in 2022/23 and a further £0.375m in 2023/24, largely through staff reorganisation and a review of projects. Of the remaining Public Health spend, over 90% is for services</p>	(4.981)	0.000	0.000	0.000	0.000

contracted to the NHS. The Public Health Reserve Balance on 31 st March 2022 is £2.067m which will now be required to mitigate pressures facing the service in future years, particularly the impact of increases in demand led services post pandemic.					
Public Health Sub Total	(4.981)	0.000	0.000	0.000	0.000
Adult Social Care & Public Health	82.584	3.127	0.000	3.127	3.127
Education					
Enhanced Pension costs These are the cost of former employees on enhanced pension and forecast variance is £0.030m favourable.	1.776	(0.040)	0.000	(0.040)	(0.030)
SEN Services Staffing pressures due to cost of agency staff and maternity cover	0.849	0.038	0.000	0.038	0.060
Sports Favourable variance forecast as a result of increases traded income from schools and reduced staffing costs	0.000	(0.028)	0.000	(0.028)	(0.030)
Nexus project	0.000	0.500	(0.500)	0.000	0.000
Other variances Miscellaneous minor over and underspends	1.940	0.000	0.000	0.000	0.000
Education Sub Total	4.565	0.470	(0.500)	(0.030)	0.000
Children and Families					

Children In Need Adverse forecast continues as a result of agency staff covering posts and maternity leave cover.	8.724	0.192	0.000	0.192	0.238
Looked After Children The most significant pressure of circa £0.980m continues to be seen in the external child care placements budget, due to increasing cost of residential placements and support packages and increase in the number of such cases, e.g., there have been 20 new agency fostering placements, 2 new mother and baby assessments and 10 new semi-independent placements in the last 2 months. This is due to some young people coming into care with complex and challenging behaviours.	27.214	1.228	(0.163)	1.065	0.344
Joint Service for Disabled Children The overspend is predominantly due to a significant increase in demand in overnight breaks, commissioning and increase in Direct Payments rate for both new and existing clients and the forecast remains unchanged from Q1.	3.546	0.909	(0.040)	0.869	0.869
Other Variances Variance is mainly due to delays in recruiting social work apprentices.	6.965	0.034	(0.105)	(0.071)	(0.058)
Children and Families Services Sub Total	46.449	1.701	(0.308)	2.055	1.393

[Return to People Narrative](#)

Place	Net Budget (£m)	Gross Forecast Variance Q2 (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q2 (£m)	Net Forecast Variance Q1 (£m)
Planning Appeals & Decisions £0.6m in year pressure resulting from the award of appeal costs incurred relating to rejected/overtaken planning appeal.	0.000	0.586	0.000	0.586	0.000
Development Management Shortfall of £0.53m in Pre Planning Application and Planning fees income.	0.105	0.613	0.068	0.545	0.500
Senior Management & Support Team Favourable variance in staffing costs and through holding departmental training budget to mitigate service pressure across the department.	1.058	(0.055)	0.000	(0.055)	(0.117)
Culture Services £134k forecast pressure relates to delayed implementation of new management of Millfield centre and security costs.	0.726	0.134	0.000	0.134	0.090
Highways Contract inflation accounts for £58k of the overspend, £50k due to delayed implementation of restructure and a further 90k in reduced income forecasts.	0.247	0.197	0.000	0.197	0.000

Place	Net Budget (£m)	Gross Forecast Variance Q2 (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q2 (£m)	Net Forecast Variance Q1 (£m)
Street Lighting Through application of contract management, default deductions have been applied resulting in one off benefit for 2022/23.	2.950	(0.100)	0.000	(0.100)	0.000
Traffic & Transportation The forecast variance is due to additional Traffic Order income.	(0.815)	(0.125)	0.000	(0.125)	(0.125)
Parking Services The most significant variance is the reduction of car parking receipts either in car parks or on street parking and parking permits. This is a continuing trend seen over the last couple of years and are affected by the following factors: <ul style="list-style-type: none"> • Impact of the pandemic and the reduction in travel • The increase in working from home and the reduction in travel • Changing consumer habits and increased on line shopping rather than coming into Town Centres. Gross pressure is £1.173m, with £0.680m applied to Covid019 reserve.	(7.215)	0.493	0.000	0.493	1.296
Regulatory Services Additional CCTV hire required to support Waste Enforcement.	1.347	0.101	0.000	0.101	0.073

Place	Net Budget (£m)	Gross Forecast Variance Q2 (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q2 (£m)	Net Forecast Variance Q1 (£m)
Cemeteries New extension has been completed and income profile for Burial Chambers and mausolea will need to be reprofiled..	(1.749)	0.275	0.000	0.275	0.500
Waste Services The forecast overspend is a result of increased fuel prices.	7.848	0.315	0.000	0.315	0.000
Street Scene £0.067m is due to the increasing cost of fuel, whilst additional activity undertaken in Meridian Water, fly tips, extra litter bin clearances and flat above shops ads a further £0.4m which have been partly mitigated by operational efficiencies.	5.294	0.218	0.000	0.218	0.083
Parks Operations £42k relates to the increasing cost of fuel. Whilst £0.169m was a result of break ins at Trent Park. A further 49k is from the recycling bin installations and big belly bins in the Town park.	3.024	0.215	0.000	0.215	0.228
Parks Activities & Events The forecast overspend is a result of loss of income e.g. events at Trent Park, sports pitch booking and allotments.	(0.347)	0.148	0.000	0.148	0.000
Passenger Transport Service The over spend is due to increasing cost of fuel and contract inflation.	11.121	0.745	0.000	0.745	0.310

Place	Net Budget (£m)	Gross Forecast Variance Q2 (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q2 (£m)	Net Forecast Variance Q1 (£m)
Strategic Property Services The favourable variance of £0.220m is due to increased rental receipts from the Montagu Industrial Estates.	(2.865)	(0.220)	0.000	(0.220)	(0.220)
Housing The TA monitor for June shows an overspend of C.£2.5m. See main body of report for the detail for variance.	5.212	2.500	0.000	2.500	1.059
No Recourse to Public Funds (NRPF) The number of families with No Recourse to Public Funds is currently higher than expected. The overspend could increase further in this area due to rising energy costs which the Council are liable for in block booked NRPF accommodation. To date the main has not increased this cost, however some providers in other boroughs have effectively doubled their energy charges which for Enfield would show a full year effect increased charge of circa £110k.	0.905	0.240	0.000	0.240	0.240
Other minor variances	4.870	0.100	0.000	0.100	0.137
Place Department Total	31.716	6.380	(0.068)	6.312	4.054

[Return to Place Narrative](#)

Resources	Net Budget (£m)	Gross Forecast Variance Q1 (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q2 (£m)	Net Forecast Variance Q1 (£m)
<p>Finance</p> <p>The forecast overspend is mainly driven by agency cover supporting the Corporate Team in managing 3 years audits of the accounts and also agency cover for some vacant posts. In addition, a project accountant has been brought in to drive savings in Place department.</p>	3.341	0.448	0.000	0.448	0.470
<p>Digital Services</p> <p>The forecast overspend is due to additional security team costs to combat cyber threats which is currently unfunded (£200k); additional resources to support legacy system dual running (£50k) and agency resources covering BAU roles (£191k) due to challenges in recruitment. The overall overspend anticipated to be funded by capital receipts is due to the transformational work undertaken across the team.</p> <p>Further pressures result from additional contract costs incurred for additional security applications (£150k) and professional services to mitigate risks around compliancy and testing. Additional contract costs of new projects that have an ongoing revenue impact (£390k). The profiled saving from CRM/CMS of £400k is also unlikely to be achieved this year. The balancing overspend is due to additional annual contract uplift costs.</p>	14.079	2.533	(0.598)	1.935	1.240

<p>Customer Experience</p> <p>Delays in delivering savings in Financial Assessment and the Income Collection team are contributing to a £0.239m forecast overspend.</p> <p>The Library service are forecasting to be £0.166m due to shortfall in service income.</p> <p>Offset by other service efficiencies.</p>	9.258	0.199	0.000	0.199	0.205
<p>Transformation</p> <p>The forecast overspend is transformation project costs and are planned as described in the Budget Report 2022/23 to be funded by the Flexible use of capital receipts.</p>	0.000	0.905	(0.905)	0.000	0.000
<p>Other variances</p>	3.293	0.547	0.000	0.547	0.452
<p>Resources Department Total</p>	29.971	4.632	(1.503)	3.129	2.367

[Return to Resources Narrative](#)

Appendix F

Covid-19 Impact	Additional Expenditure	Loss of income
	£m	£m
Chief Executive		
CEX: Additional legal costs to cover rising C&F case work	0.514	0.000
CEX: Communications Officer		0.000
Chief Executive Total	0.514	0.000
People		
Adult Social Care		
ASC: Additional workforce across ASC services	0.100	0.000
ASC: Additional long term care purchasing costs as a result of cancelation of routine operations, hip, knee etc	0.250	0.000
ASC: 2022/23 Demographic pressures	0.650	0.000
ASC and Public Health Total	1.000	0.000
Children & Families		
C&F: Increase numbers of agency staff and fixed term posts	1.364	0.000
C&F: Block booking placements	0.030	0.000
C&F: PPE for Children's Services (including Leaving care)	0.005	0.000
C&F: Increase in Short Breaks (JSDC)	0.100	0.000
C&F: Outsourcing a completion of C&F assessments for a short period of time to clear the backlog of assessments and reduce caseloads while successful recruitment initiatives are finalised.	0.413	0.000

C&F: Recruitment initiative	0.056	0.000
C&F: Agency staff support for care co-ordinators converting to AYSE	0.029	0.000
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	1.747	0.000
Children & Families Total	3.745	0.000
Education		
Education: SEND support staff	0.050	0.000
Education: after-school provision for supervised independent study and increased Teaching Assistant support	0.230	0.000
Education Total	0.280	0.000
Place		
Homelessness Service	0.945	0.000
Development Management recovery of backlog	0.195	0.105
Covid Marshals & Locally Supported contact tracing	0.075	0.000
Parking Services	0.000	0.680
Highways Services	0.000	0.050
Traffic & Transportation	0.000	0.050
Meridian Water	0.000	0.129
Strategic Property Services	0.000	0.063
Culture services	0.000	0.345
Regulatory Services	0.000	0.067
Commercial Waste	0.000	0.050

Place Total	1.215	1.539
Resources		
Customer Experience: Financial Assessments staff overtime, Civica on Demand Extra & Additional Financial assessment staff	0.822	0.000
Customer Experience: Additional Resources in Income & Debt service post COVID recovery, Civica on Demand	1.022	0.000
Digital: Additional Staff Capacity - Overtime, Changes to 4th floor/Basement layout, Adjustments to allow people with Disability to work remotely	0.157	0.000
Schools Catering service income	0.000	0.240
Other Resources services loss of income e.g., recharges	0.000	0.026
Resources Total	2.001	0.266
Central Items		
Underspend on Concessionary Fares	(1.508)	
Covid-19 Total	7.247	1.805

[Return to Covid-19 Narrative](#)

Use of Capital Receipts in 2022/23

Appendix G

2022/23 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
People		
Children & Families	0.163	New Beginning (previously Break the Cycle)
Children & Families	0.040	SEND & Disability Outreach Worker (2 Year Fixed Term)
Children & Families	0.017	Outreach worker Operation Alliance
Children & Families	0.088	Parent Support Advisor
Education	0.500	Investment in Nexus project
Chief Executive		
Communications	0.041	Reflects transfer of Communications post from the Transformation team to the Communications team.
Human Resources	0.046	HR Transformation Manager
Resources		
Digital Services IT	0.598	To develop business cases for new projects as part of the Portfolio's pipeline. Continuation from 2021/22 item with a further £0.820m Use of Capital Receipts anticipated.
Transformation	0.900	The Transformation Service manages a diverse Portfolio of Programmes: Payments, Children's Transformation, Build the Change, Customer Experience.
Place		
Planning Commercial and Customer Manager	0.068	

2022/23 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
Total	2.461	

[Return to Capital Receipts Narrative](#)

Appendix H

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	0.175	(0.760)	0.500	(0.085)
New 2022/23	(0.510)	(2.912)	(2.004)	(0.430)	0.000	(5.856)
Savings Total	(0.510)	(2.912)	(1.829)	(1.190)	0.500	(5.941)

Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0.000	(0.100)	0.890	0.000	0.000	0.790
New 2022/23	0.000	(0.100)	(2.650)	(0.090)	0.000	(2.840)
Income Total	0.000	(0.200)	(1.760)	(0.090)	0.000	(2.050)

Total Savings & Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0.000	(0.100)	1.065	(0.760)	0.500	0.705
New 2022/23	(0.510)	(3.012)	(4.654)	(0.520)	0.000	(8.696)
Total	(0.510)	(3.112)	(3.589)	(1.280)	0.500	(7.991)

Total Savings & Income by Department by Risk Status	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
Blue	0.000	(2.623)	1.382	0.000	0.500	(0.741)
Green	(0.460)	(0.189)	(1.310)	(0.750)	0.000	(2.709)
Amber	(0.050)	(0.300)	(3.661)	(0.130)	0.000	(4.141)
Red	0.000	0.000	0.000	(0.400)	0.000	(0.400)
Total	(0.510)	(3.112)	(3.589)	(1.280)	0.500	(7.991)

[Return to Achievement of Savings Narrative](#)

Savings & Income Monitor

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
CEX	CEX	New	Savings	Corporate Strategy service restructure	2.5	(100)
CEX	CEX	New	Savings	Enfield Strategic Partnership review of reserves	2.5	(100)
CEX	CEX	New	Savings	Service Review: Organisational Development	3.5	(260)
CEX	CEX	New	Savings	Legal team capitalisation	4.5	(50)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	ASC	New	Savings	Strength based Programme - Reduced long term demand	0.0	(200)
People	ASC	New	Savings	Better Care Fund - Substitution	0.0	(300)
People	ASC	New	Savings	Review of Adult Placement Service, Outreach & Enablement	0.0	(260)
People	ASC	New	Savings	Disabled Facilities Grant - Substitution	0.0	(200)
People	ASC	New	Savings	Care Purchasing demand, transition, and Continuing Health Care	0.0	(683)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	ASC	New	Savings	Print costs/Home working	0.0	(35)
People	ASC	New	Savings	Reduced fuel costs move to electric vehicles	0.0	(35)
People	ASC	New	Savings	Additional savings on packages and placements from use of Care Cubed tool	0.0	(50)
People	ASC	New	Savings	Moving Day Care transport fleet to electric and some users to personal travel budgets at lower cost	0.0	(35)
People	ASC	Full Year Effect	Income	Reardon Court – Extra Care	0.0	0
People	ASC	Full Year Effect	Income	Increased income through fees and charges for chargeable Adult Social Care Services	0.0	(100)
People	ASC	New	Income	Care Charges (for Adult Social Care) service redesign	0.0	(100)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	C&F	New	Savings	Review of alternative funding streams for Education services	1.5	(80)
People	C&F	New	Savings	Reduced Unaccompanied Asylum Seeking Children (UASC) activity & increased grant level	2.5	(109)
People	C&F	New	Savings	Service Efficiencies	7.0	(300)
People	Education	New	Savings	Enhanced Pension Costs	0.0	(200)
People	PH	New	Savings	Public Health	0.0	(300)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	PH	New	Savings	Redistribution of the Public Health grant	0.0	(125)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place	Place	Full Year Effect	Savings	Economic Development Team	0.0	300
Place	Place	New	Savings	Energy Savings generated from the Salix investment on Corporate buildings	0.0	(75)
Place	Place	Full Year Effect	Income	Additional Traffic & Transportation receipts from recharges to capital	0.0	25
Place	Place	Full Year Effect	Income	Meridian Water Meanwhile use income	0.0	86
Place	Place	Full Year Effect	Income	Southgate Cemetery - Mausoleum and Vaulted graves sales	0.0	46
Place	Place	Full Year Effect	Income	Reprofiled Holly Hill Bunding Income	0.0	600
Place	Place	Full Year Effect	Income	Bunding Income (one off in 2021/22)	0.0	400
Place	Place	New	Savings	Fleet Centralisation	1.5	(50)
Place	Place	New	Savings	Recycling Improvements	1.5	(68)
Place	Place	New	Savings	Parks Operations Efficiencies	1.5	(50)
Place	Place	Full Year	Income	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	1.5	(31)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
		Effect				
Place	Place	Full Year Effect	Income	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	1.5	(6)
Place	Place	Full Year Effect	Savings	Homelessness Service Review	2.5	(125)
Place	Place	New	Savings	Streetlighting additional saving	2.5	(100)
Place	Place	Full Year Effect	Income	Inflation uplift on external clients and receipts income	2.5	(180)
Place	Place	New	Income	Litter Enforcement Contract Income	2.5	(100)
Place	Place	New	Income	Traffic Order Receipts	2.5	(100)
Place	Place	New	Income	Extension of Holly Hill land improvement	2.5	(200)
Place	Place	New	Savings	Housing NRPF - reduced demand for service	3.5	(300)
Place	Place	New	Savings	Cashless Car Parking	4.5	(75)
Place	Place	Full Year Effect	Income	Market Rentals for Council Properties	4.5	(10)
Place	Place	Full Year Effect	Income	Increase in fee income in the planning service	4.5	(20)
Place	Place	Full Year Effect	Income	Building Control Plan Drawing Service	4.5	(20)
Place	Place	New	Income	Economic Development - income and grants	4.5	(50)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place	Place	New	Savings	Service Review: Economic Development	5.0	(210)
Place	Place	New	Income	Garden Waste Income	5.0	(150)
Place	Place	New	Income	Traffic Control Measures	5.0	(1,750)
Place	Place	New	Savings	Review of recharging of Place back office costs	7.0	(500)
Place	Place	New	Savings	Strategy to reduce Temporary Accommodation costs	7.0	(287)
Place	Place	New	Savings	Corporate Maintenance Facilities Management Operational Efficiency (Security, Cleaning, Staffing)	7.5	(100)
Place	Place	New	Income	Commercial waste	7.5	(100)
Place	Place	New	Income	Increased Temporary Accommodation rents aligned to Local Housing Allowance (LHA) rates for new tenants from 1st April 2022	7.5	(200)
Place	Place	New	Savings	Measures to address SEN Transport spend	5.0	(189)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Resources	Resources	Full Year Effect	Savings	Reducing cost of maintaining staff laptops and devices	1.5	(60)
Resources	Resources	Full Year Effect	Savings	Reduction in mobile phone costs and usage	1.5	(50)
Resources	Resources	Full Year Effect	Savings	Customer Operations	1.5	(50)

Department	Directorate	FYE/New 2022/23	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Resources	Resources	New	Savings	Exchequer Service Pension recharge	1.5	(50)
Resources	Resources	New	Savings	Audit Team budget review	1.5	(50)
Resources	Resources	New	Savings	Housing e-billing (reduced print & postage costs)	1.5	(25)
Resources	Resources	New	Savings	Cash collection saving in Exchequer	1.5	(25)
Resources	Resources	New	Income	Libraries: Additional Visa verification service income	1.5	(90)
Resources	Resources	Full Year Effect	Savings	Application Rationalisation - ongoing reduction of other applications	2.5	(200)
Resources	Resources	New	Savings	Digitalisation/ decentralisation of MEQ & Complaints Team responsibilities	2.5	(150)
Resources	Resources	New	Savings	Out of hours service: review existing service users, reduce service and reduce costs	4.5	(30)

[Return to Achievement of Savings Narrative](#)

Dedicated Schools Grant	Forecast Variance Q1 (£m)
Early Years Block	(0.105)
Schools and Central Services Blocks	0.157
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.	2.020
DSG Total	2.072

[Return to DSG Narrative](#)

London Borough of Enfield**Cabinet****14 December 2022**

Subject: Capital Programme Monitor Q2 2022/23
Cabinet Member: Councillor Tim Leaver, Finance & Procurement
Executive Director: Fay Hammond, Executive Director Resources

Key Decision: KD5497

Purpose of Report

1. The purpose of this report is to update Members on the forecast capital spend for 2022/23, taking into account the latest information available for all capital schemes including funding.
2. The report sets out the estimated capital spending, the proposed arrangements for funding and the revenue budget relating to capital financing costs and Minimum Revenue Provision. The detail of the Housing Revenue Account (HRA) capital spend is reported separately, with a single summary line included in this report.

Proposal(s)

3. It is recommended that Cabinet notes
 - a. The 2022/23 forecast spend of £302.8m against a budget of £486.4m, which is a forecast variance to budget of 38% across the programme. This reflects strategic and fiscally responsible decisions taken by the Council to manage delivery of its capital programme in response to inflationary pressures, increases in the cost of borrowing and current market conditions, as described in this report.

Reason for Proposal(s)

4. A strong financial management framework, including Member overview and scrutiny of the capital programme, is an essential part of delivering the Council's priorities and statutory duties. This is particularly important in the current macro-economic environment of rising interest rates and inflation and pressures on revenue budgets.

Executive Summary

5. The delivery of the 2022/23 capital programme is impacted by global external factors including the aftermath of the Covid19 pandemic, disruption of global supply chains and more recently soaring inflation and the economic impact of the war in Ukraine. Consumer Price Index (CPI) inflation in September was 10.1% and is forecast to increase further before reducing in later years. Overall construction inflation is significantly higher.

6. This means that all business cases for projects relying on borrowing are being refreshed.
7. The approved capital programme budget for 2022/23 was £486.4m (as approved by Council as part of the 2021/22 outturn report). Subsequent growth in programme of £5.7m is included in the programme, of which £1.5m is funded from borrowing. A further £17.0m of capital budget has been removed from the programme, of which £8.2m was budgeted to be funded from borrowing.
8. As a result, Q2 forecast capital spend is now £302.8m, compared with approved budget of £486.4m (a variance of £183.6m). Q2 forecast £302.8m spend consists of £144.0m for the General Fund (excluding companies), £125.1m for the Housing Revenue Account (HRA) and £33.6m loan drawdown for Enfield Companies as shown in table 1. This outturn estimate is likely to further change at Period 8.
9. This means that the Council is forecast to borrow £85.6m less than budgeted in 2022/23. The majority of the remaining underspend was planned to be funded by grants (£93.7m, which can be utilised in future years.)
10. Reduced in-year prudential borrowing will help mitigate the impact of recent increases in interest rates on the cost of council borrowing (2.5% assumed in budget, increased to 5% at Q2).
11. The capital schemes with largest variances to budget are:
 - a. Meridian Water – (£83.3m)
 - b. Housing Gateway Ltd – (£34.2m) variance to loan drawdown
 - c. HRA – (£9.1m)
 - d. Property & Economy – (£22.6m)
 - e. Education – (£19.5m)

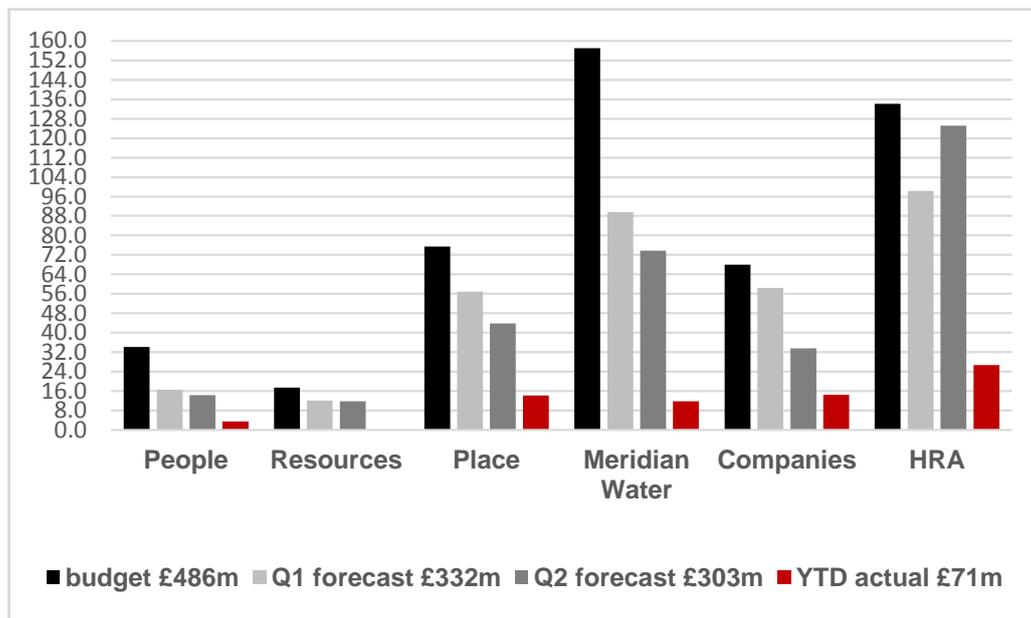
Background

12. On 24th Feb 2022, Council approved the 2022/23 capital programme and noted the 2023/24 - 2031/32 10 Year Programme (KD5353), which included the Housing Revenue Account (HRA) budgets.
13. The Council's capital programme is regularly reviewed, and monitoring reports are submitted to Cabinet on a quarterly basis. In addition, the Capital Finance Board maintains a strategic overview of the financial management of the capital programme and provides an additional level of scrutiny for the major projects. The Council continually strives to maximise external grants and contributions and attract new income streams to fund projects wherever possible and minimise the need to borrow.
14. This is the second quarterly monitoring report of 2022/23. A final report will be prepared with the full year forecast position as at Period 8 (November).
15. Q2 full year forecast outturns are based on programme managers' estimation of actual spend during 2022/23. In making these assessments, programme managers are asked to consider the extent of actual spend incurred and committed to date. These forecasts are expected to change over the next two

months as the full impact of the factors described above are understood on individual programmes.

Capital programme monitoring - overview

16. This report focusses on how the actual programme delivery compares to what was forecast to be delivered in the 2022/23 capital budget of £486.4m. It includes an update on project status and emerging risks for key projects within the capital programme.
17. Q2 full year forecast spend is £302.8m (was £332.0m at Q1). This outturn forecast is likely to further change at Period 8 (November) reporting. The average annual capital outturn over the last 3 years (excluding companies but including the HRA) was £167m.
18. Figure 1 below provides a visual summary of the capital budget, forecast outturn and actual spend (to 30 September) by directorate. Actual spend of £71m excludes salaries and overhead recharges from revenue to capital. These will be processed in Q3 and are estimated to be around £5m for April to September.



19. Table 1 and table 2 below summarise the original budget and forecast outturn capital spend and financing for 2022/23. Details on project status, outcomes and emerging risks and issues for major schemes are provided in later sections of this report.

Table 1 – Q2 capital programme forecast full year spend

Capital budget by Directorate	2022/23 budget £m	Q1 forecast £m	Q2 forecast £m	budget variance £m	forecast to budget %
Resources	17.5	12.1	11.7	(5.7)	67%
People	34.4	16.7	14.5	(19.9)	42%
Place	75.4	56.9	44.0	(31.4)	58%
Meridian Water	157.0	89.6	73.7	(83.3)	47%
General fund (excluding companies)	284.2	175.2	144.0	(140.2)	51%
HRA	134.2	98.3	125.1	(9.1)	93%
HRA	134.2	98.3	125.1	(9.1)	93%
Capital programme (excluding companies)	418.4	273.5	269.1	(149.3)	64%
Energetik	21.7	25.1	21.6	(0.1)	100%
Housing Gateway Ltd	46.3	33.3	12.0	(34.2)	26%
Companies	68.0	58.4	33.6	(34.3)	49%
Total capital programme	486.4	332.0	302.8	(183.6)	62%

Table 2 – Q2 capital programme forecast full year funding

Capital funding	2022/23 budget £m	Q1 forecast £m	Q2 forecast £m	budget variance £m	forecast to budget %
Borrowing	254.7	230.1	169.1	(85.6)	66%
Capital grants	172.9	70.2	79.2	(93.7)	46%
Usable capital receipts	26.4	14.1	28.5	2.1	108%
HRA: earmarked reserves	21.6	3.8	12.8	(8.8)	59%
HRA: Major repairs allowance	8.0	11.3	11.3	3.3	141%
S106 & CIL	2.3	2.3	1.9	(0.4)	90%
Revenue contributions	0.5	0.1	0.0	(0.5)	4%
Total capital funding	486.4	332.0	302.8	(183.5)	

Capital budget adjustments

20. Actual programme delivery against the 2022/23 capital budget has changed to reflect growth and reductions during the year as well as proposed reprofiling of capital budgets no longer required to support programme delivery in 2022/23.

21. **Additions to the approved capital programme £5.7m**

22. Table 3 summarises growth in the capital programme, which mostly relate to confirmation of previous estimates of grant funding.

Table 3 - Q2 additions to the approved capital programme

	£m	Funding source	Comments
Schools maintenance	0.2	Grant – KD5443	Bush Hill Park School – kitchen rebuild
Changes to Waste & Recycling collections	0.1	Capital receipt – KD4810	Capital programme correction to align with original approval
Flood alleviation	0.2	Grant	In-year grant approval confirmed Q1
Heathy Streets	3.1	Grant	In-year grant approval confirmed Q1
Highways & Street Scene	0.4	Grant	In-year grant approval confirmed Q1
Housing adaptations (DFG)	0.3	Grant	In-year grant approval confirmed Q1
Genotin Road (Metaswitch)	1.3	Borrowing – KD4567/KD5464	Capital programme correction to align with original approval
Q1 Growth	5.5		
Investment in Digital Infrastructure	0.2	Grant - KD5456	New ducting and fibre network
Q2 Growth	0.2		
Growth since April 22	5.7		

23. **Reductions to the approved capital programme (£17.0m)**

24. These are itemised in table 4 below. In Q1 expenditure budgets were reduced by (£15.6m), as previously detailed in the Q1 capital budget monitoring report. A further (£1.4m) budget reductions were made in Q2 of the programme. Total reduction in capital budgets since programme approval is (£17.0m).

Table 4 – Q2 reductions to the approved capital programme

	£m	Description
Schools maintenance	(1.3)	Grant funded - schemes completed and budgets reduced
Build the Change	(0.4)	Funded by borrowing funded - Removal of revenue spend from capital budgets
Land Investment	(7.5)	Funded by borrowing funded - Scheme no longer progressing
Traffic & Transportation	(0.2)	Estimate replaced by confirmed grant funding
Healthy Streets	(6.1)	Estimate replaced by confirmed grant funding
Q1 Reductions	(15.6)	
Alley gating	(0.1)	Removal of budget from capital programme
Healthy Streets	(1.0)	Reduced spend forecasts – grant funded
Empty Properties	(0.3)	Reduced spend – part of EMT review
Q2 Reductions	(1.4)	
Reductions since April 2022	(17.0)	

25. **Approvals to spend capital budgets**

26. The Council's financial regulations require all projects to obtain approval to spend (i.e. a detailed review of the business case). This is separate to Council approval of the overall budget envelope. This detailed level approval must be secured in advance of spend being incurred. Whilst not impacting on the overall value of the capital programme, table 6 below details projects that have obtained appropriate approval to spend since April 2022. In Q1 £10.4m 'budget envelopes' progressed with approval to spend. In Q2 a further £0.4m capital budgets received second level approval (total approvals to spend since April 2022 is £10.8m). This is in addition to all the programmes that already had detailed capital budget approval.

Table 5 – Q2 approvals to spend

	2022/23 £m	Approval & Funding Source
Approvals to spend in Q1	10.4	
IT investment	0.2	ROD 7 July 2022 – funded borrowing
Flood alleviation	0.3	KD5423 – funded 50% grant 50% borrowing
Healthy Streets	1.8	KD5246 – funded grant and S106/CIL
Highways & Street Scene	8.0	KD5423 - funded borrowing
Housing adaptations (DFG)	0.1	KG5462 – funded grant
Q1 Approvals to spend	10.4	
ICT investment – CRM replacement	0.4	ROD 13 July 2022 - funded borrowing
Q2 Approvals to spend	0.4	
Approvals since April 2022	10.8	

27. Of the £302.8m Q2 forecast outturn budget for 2022/23, £11.5m (4%) consists of capital budgets pending approval to spend. This means that no spend has yet been incurred against them. These budget envelopes are funded from £2.5m capital grant and £9.0m borrowing (total £11.5m). The capacity to spend these budgets will be tested with budget holders as part of Period 8 capital budget monitoring.

Financial risks

28. Cost Inflation has been rising steadily over the last year. The Bank of England is expecting inflation to rise to around 13% by the end of the calendar year with energy and fuel prices contributing half of that amount. Consumer Price Index (CPI) currently stands at 10.1%, which is significantly above the Government's 2% target rate. Since early 2021, the UK construction sector has seen high inflation in materials and build costs, alongside materials and labour shortages affecting site activity. This is the combined effect of COVID working practices, supply chain disruption, and new immigration and trading requirements.
29. These factors have already had a direct impact on the Council's current capital programme. For example, the Meridian Water financial model is being updated, and alternative delivery options investigated. The HRA is also considering alternative approaches for the delivery of new homes.
30. There is risk that some planned capital spend may no longer represent value for money because of rising costs. As a result, where relevant, business cases are being refreshed to demonstrate value for money as well as affordability as part of budget setting 2023/24.
31. Where projects have been paused there is a risk that the Council continues to incur project overheads, which may have to be charged to revenue budgets or managed within existing budgets.
32. There is inherent risk that, where projects are descoped or revised in response to escalating costs, approved outcomes are not achieved to the same extent as planned.
33. As well as ensuring that grant conditions are complied with, there is an underlying risk of grant being withheld or clawed back should outcomes not be achieved. For example, to date Meridian Water has claimed £22.2m of HIF grant funding, which is linked to achievement of milestones and housing output.
34. Delays in capital programme delivery will also potentially impact on delivery of revenue income currently assumed within the Medium Term Financial Plan (MTFP).
35. At £169.1m, around 56% of the in-year capital programme is expected to be funded from prudential borrowing. The Council must ensure sufficient annual revenue provision is made for the repayment of this debt (including interest) during this period of volatility. On 3 November 2022 the Bank of England increased its base rate to 3.0% (for context it was 0.1% in March 2020), with the next review on 15 December 2022. Corresponding increases in gilt yields have also resulted in a rise in Public Works Lending Board (PWLB) borrowing rates. There is considerable volatility in interest rates, which have an acute impact on the revenue financing costs of borrowing undertaken to deliver the capital programme.

36. This risk also extends to the cost of refinancing historic debt taken out as historic loans mature.
37. There is inherent risk that assumed funding from capital receipts does not materialise as forecast, within timescales assumed. The council would potentially have to fund any shortfall in funding.

2022/23 Capital programme – status, risks, outcomes and variances

38. The following paragraphs provide explanations for variances and a description of forecast outcomes from larger programmes.

39. Resources

Table 6 – Resources Q2 forecast full year spend

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
IT Investment	17.1	11.4	(5.7)
Libraries	0.1	0.1	0.0
Community Hubs	0.3	0.3	0.0
Resources	17.5	11.7	(5.7)

Programme status and expected outcomes

40. The Council is delivering infrastructure Phase 1A programme, asset management replacement, customer platform replacement and payment programme during 2022/23. Further programmes expected to commence delivery in 2022/23 include unified communications, smart mobile devices and end user computing.

Q2 forecast variance to budget

41. The £5.7m underspend in 2022/23 reflects supply chain issues and difficulties in procuring digital and IT equipment as quickly as expected. The Council continues to experience 6 to 12 month lead in times for equipment in some cases. This impacts the delivery of the Smart Devices, EUC/Hardware Replacement and Infrastructure Programmes. Obtaining resources to work on these priority programmes remain difficult to recruit to. Whilst this is being addressed through additional temporary staff, this has impacted on the pace of delivery. The resourcing issue is being addressed by using managed services to undertake discovery work – but contracts take time to procure and implement.

42. People

Table 7 – People Q2 forecast full year spend

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
Schools Maintenance	16.6	5.8	(10.8)
Strategic Schools Places Programme	17.0	8.2	(8.8)
Children & Families	0.8	0.5	(0.3)
People	34.4	14.5	(19.9)

Programme status and expected outcomes

43. The Schools Capital Programme (funded predominantly from DfE capital grants) seeks to ensure sufficiency of school places within the locality and the maintenance of the local authority-controlled school estate to an appropriate standard. The strategy of expansion of school places for SEND children also continues in 2022/23.
44. Schools maintenance programme - This programme is entirely funded from DfE school condition grant and consists of various schemes across the school estate. De Bohun Primary - phases 1 & 2 are now complete and in defects liability stage, with remaining work planned to be completed this financial year. Enfield County works are at various stages of procurement / construction process. Swan Centre refurbishment and remodelling (for additional SEND places) are due to commence on-site by the end of the year.
45. Strategic Schools Programme - this programme is entirely funded from DfE basic need grant. Winchmore sixth form building is currently being reprocured because of inflationary increases in estimated costs of project delivery. MUGA works are expected to complete this financial year. Aylands School rebuild (to provide additional 70 SEND school places) is scheduled to complete Feb 2023. Minchenden Autistic Provision works have completed within budget.
46. Mental Health & Wellbeing – site options have been proposed and preferred site identified. Further work required before report is brought forward for approval – will potentially be funded from future capital receipts.

Q2 forecast variance to budget

47. The main reason for the underspend is the re-alignment of project budgets with revised delivery timescales due to market (inflationary) pressures requiring project scopes to be redefined resulting in proposed programme reprofiling to future years.
48. This includes £3m for the Oaktree school expansion project and the Swan Annexe remodelling project that will deliver additional SEND places and £4m for Winchmore 6th form. The requested addition for Strategic Schools and Schools Maintenance of £3m and £5m respectively was added to the programme upon

approval from February 2022 Cabinet and will be reprofiled as it has yet to be allocated to specific projects that are still at inception stage.

49. **Place**

50. The Council approved £75.4m capital spend in 2022/23 within the Place directorate. Q2 projection of full year spend is £44.0m (58% of approved budget).

Table 8 – Place Q2 forecast full year spend

	2022/23 budget £m	Q2 forecast £m	Variance to budget £m
Environment & Operations	28.4	19.7	(8.8)
Property & Economy	44.1	21.4	(22.6)
Housing & Regeneration	2.9	2.9	(0.0)
Place	75.4	44.0	(31.4)

51. **Environment and Operations**

Programme status and expected outcomes

52. Edmonton Cemetery – The build phase of the programme is now complete and consists of 144 mausolea, 200 vaulted chambers, and 144 cremation niches, providing capacity for 544 burials. Landscaping works are completed as are repairs to the skate park. The scheme is expected to be delivered within approved funding.
53. Flood Alleviation – Turkey Brook - contractor is on site carrying out works. Haslebury Neighbourhood Improvements works are substantially complete. Enfield Chase Restoration Project – most of the works are expected to be undertaken over the winter (tree planting season).
54. Highways & Street Scene - The programme has been impacted by cost inflationary pressures, which has resulted in some planned schemes being pushed to later years. To date around 10.9km of carriageways have either been resurfaced or subject to surface treatment. Some planned resurfacing has been delayed to later years because of cost inflation. To date 8,842 planned defects works have been completed. This compares with full year target of 18,000 repairs. Cost increases may require some schemes in the carriageway and footway programmes to be re-profiled into 2023/24. Various footways renewal schemes have been completed and the programme is ongoing. Inflationary pressures have seen schedule of rates increase by up to 12%. Watercourses programme - Oaklands wetlands on site and expecting to complete around 80% this year and Oakthorpe is 90% complete. Planned works at Wilbury are delayed and may not start until March. Highways Trees – trees have either been ordered or and in the process of being order in preparation for the tree planting season (November to March).

55. Expansion of trade waste service – Scheme is still at the planning stage and will require full financial viability assessment.
56. Vehicle Replacement Programme - £1m of fleet vehicles are under order and are expected to be received by the end of Q3 2022.. The Council's itemised 10 year fleet replacement plan is being revised to reflect current vehicle acquisition prices and lead in times. The current approved plan assumes the Council will continue to replace the bulk of its fleet with diesel vehicles (only 14 electric vans currently owned). Every proposed vehicle acquisition is 'evaluated' prior to order being placed to ensure that outright purchase (as opposed to lease or hire) remains the most financially advantageous option.
57. Healthy Streets – The Healthy Streets programme receives external grant funding from a range of sources, which must be spent in accordance with grant conditions. Indicative grant funding allocations of £7.1m included at budget have since been removed (table 5) as actual grant allocations are confirmed. At Q2 grant funded capital budget of £5.8m is currently approved for 2022/23. This budget will be amended in Period 8 to reflect £2.9m TfL grant funding awarded late September 2022. Budget is expected to be fully utilised in 2022/23. The programme is on track for successful delivery this financial year, delivering a range of challenging projects. Two major projects (Ponders End High Street and North Middlesex Hospital active travel route) are due for completion in Q3. Enfield Town to Broxbourne walking & cycling route benefits from £2.3m funding from National Highways - reprofiling discussions underway with National Highways to allocate some of this into next financial year. Additional investment in the delivery of 10 School Streets which are on course to be completed by March 23.
58. Traffic and Transportation - TfL grant funding of £0.4m was confirmed in Q2. This has been allocated to specific schemes within the programme including LIP Bus Priority and LIP Vision Zero Initiatives. Schemes are fully grant funded.

Q2 forecast variance explanation

59. The main reasons for the forecast underspend are
 - a. the planned purchase of electric vehicles in the Vehicle Replacement programme, due to significant additional lead in times for the purchase of vehicles; and
 - b. a £7m reduction in Healthy Streets programme budget to remove indicative grant funded budget amounts.

60. Property & Economy

Programme status and expected outcomes

61. Build the change £7.5m full year forecast spend to deliver:
 - a. Hub 1 - Civic Centre. Works are restricted to finalising works on meeting rooms. All other works are paused while the business case is reviewed.
 - b. Hub 2 - Thomas Hardy House & Dugdale – works are expected to complete in December 2022, with all in-year capital budget planned to be utilised.

62. Montagu Industrial estate. £1.5m forecast full year spend for site acquisitions, with CPO approval anticipated in Q4.
63. Corporate Property Investment Programme – programme has been prioritised. Residual £0.9m forecast 2022/23 spend is earmarked to surveys, security works, essential health & safety works and smaller projects across the estate.
64. Corporate Property Condition Programme – whilst average annual spend is around £3m, around £4.1m is currently included in Q2 full year forecast (funded from borrowing). The £4.1m includes contingency for market volatility, which will be further assessed as part of period 8 monitoring. Planned works include car park works (including ANPR, and infrastructure and install of EV points), upgrade works to accessible toilets in parks across the Borough, works to support the Public Sector Decarbonisation Scheme (PSDS) project at various corporate properties, and essential health & safety works across multiple buildings. Contingency has been set aside for market volatility.
65. Genotin Road - The building is complete and operational with final payments to be made this financial year.
66. Electric Quarter – The Council is forecasting £0.5m of CPO payments in Q3 of 2022/23. Potential additional capital budget for claims awaiting settlement agreement will be reviewed as part of capital programme budget setting for 2023/24.
67. Electric Quarter - £0.9m is approved this year for Ponders End library fit-out and Secondary Behavioural Support Services (SBSS) relocation from John Wilkes House. Ponders End Library works are now substantially complete (£0.6m forecast spend this year). Around £0.1m spend is currently forecast on project design for the SBSS relocation project. Current build cost estimates exceed approved capital budget. A revised business case is required (and approved as a key decision) prior to progressing with the construction phase of the scheme.
68. Energy Decarbonisation (RE:FIT) - £1.3m forecast spend for solar panels, heat pumps, windows and roof lights installed at 3 schools and some corporate buildings.
69. Tottenham Park Cemetery – The project is currently on hold.
70. Dugdale Coffee shop renovation project on target to complete by December 2022, as planned.
71. Town Centre Regeneration - forecast spend includes completion of Angel Edmonton works, including the Living Room Library, Affordable Workspace, School Street, and Public Realm. Budget also earmarked for Town Centre Taskforce improvements.

Q2 forecast variance to budget

72. Property & Economy is now forecasting full year spend of £21.4m (£44.1m budget). The primary reasons for the underspend this year are:

- a. the removal of £7.5m budget approved for the strategic acquisition of land that is no longer required;
- b. £6.5m Build the Change Hub 1 – Civic Centre budget anticipated to be spent in later years whilst concept design works for future phases are completed;
- c. £5.0m budget for Montagu Industrial Estate. We are working closely with our Joint Venture partner to review and amend the business plan in light of changing economic circumstances.;
- d. £2.7m budget for building maintenance and improvements across the rural estate, corporate residential and parks buildings;
- e. £0.5m budget to 2023/24 for Tottenham Park Cemetery.

73. Housing & Regeneration (General Fund)

Programme status and expected outcomes

74. Q2 forecast full year spend consists of £2.7m major adaptations to people's homes to enable them to live independently within their own homes for as long and as safely as possible. These works are funded from Disabled Facilities Grant. The funding supports a significant number of people to continue living in their own homes and a reduction in the number of permanent placements into care homes, which is in line with the Better Care Fund plan jointly agreed by Enfield Council and North Central London Integrated Commissioning Board. The 2022/23 DFG allocation (from within the Better Care Fund allocation) was approved by Cabinet in October 2022.
75. Q2 forecast also includes £0.2m spend on grants to property owners to bring empty properties back into use, on condition that property owners agree to lease the property to the Council for use as temporary accommodation.

Q2 forecast variance to budget

76. The Empty Homes (Vacant Property review) budget will be reduced by £0.3m a part of the ongoing Executive Management Team (EMT) in year programme review.

77. Meridian Water

Table 9 – Meridian Water Q2 forecast full year spend

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
Meridian One	21.2	25.6	4.4
Meridian Two	3.0	3.0	0.0
Meridian Three	0.4	0.4	0.0
Meridian Three and Meridian Four (50/50)	1.9	1.3	(0.6)
Meridian Four	12.2	1.7	(10.6)
Meridian Five	0.1	0.1	(0.1)
Meridian Seven	0.1	0.1	0.0
Meridian Eight	0.1	0.0	(0.1)
Meridian Nine	0.1	0.0	(0.1)
Meridian Ten	0.5	0.5	0.0
Meridian Eleven	0.0	0.1	0.1
Meridian Water Scheme-wide	35.7	21.7	(14.0)
Meridian Water HIF	81.7	19.4	(62.4)
Meridian Water	157.0	73.7	(83.3)

Programme status and expected outcomes

78. The following deliverables are forecast for 2022/23

- a. Continued progress on critical early works related to strategic infrastructure, to finalise the preliminary stage of the HIF works;
- b. Continuing work on the governance required for HIF rail works to complete GRIP(Governance for Railway investment Projects) stages 3 & 4 (Option and Option selection);
- c. Continued progress on the development of the affordable homes on Meridian One;
- d. Meridian Two land enabling works;
- e. Clearance of a significant waste mound, required for HIF works;
- f. Delivery of the skills academy
- g. Demolition and refurbishment of F-block to bring the site into meanwhile use by December;
- h. Continued work on the master plan including vision document and infrastructure plan, meeting planning requirements, discharging conditions.

Q2 forecast variance to budget

79. Meridian Water Scheme-Wide

Due to the current budgetary pressures on the council and challenging scheme viability there has been a reduction in non - essential spend, reduced reliance on consultants as well as a reduction in staffing cost which has contributed to a scheme wide underspend.

The budget also assumes the purchase of the 3 Anthony way site, the decision has been taken not to proceed with the purchase at the current time resulting in a significant underspend in the 'scheme-wide' budget this year.

80. Meridian 1

An estimated overspend of £1.3m relates the Cadent contract due to additional specialist materials not included in original estimate, sewer diversion, contaminated Land disposal (contested by LBE/ VPL), programme delays leading to preliminary costs, additional overheads and profit. Cadent will be providing a detailed breakdown of the additional cost which will be fully reviewed. This will be funded from available contingency.

The forecast includes an additional £3m HRA payment as a result of resolution to grant now achieved for Meridian 1B and works proceeding well on 1A. The Developer is projecting progress of works on site faster than initially proposed this year. This overspend is not an additional sum over what has been previously budgeted for the HRA payments, but monies will be required sooner than previously proposed.

81. Meridian Water HIF Street Works

The original 2022/23 budget assumed that the Council would carry out enabling works in Spring 2022 and enter into the Main Works Contract to deliver the Infrastructure Works in summer 2022. However, due to significant budget pressure the construction start date has been delayed until early 2023 whilst funding is being agreed with DLUHC. Consequently the forecast reflects the updated project programme.

The latest project Cost Plan, which is informed by the price offer for the Main Works from the preferred Framework Contractor (Vinci Taylor Woodrow) indicates a £47m budget pressure, mainly due to exceptional inflation cost increases and fees related to prolongation and design changes. The budget overrun, excluding high inflation, is not unusual at this point in a project of this nature and can be attributed to prolongation costs, due to funding delays and other aspects of design development DLUHC will be asked to fund.

Negotiations have started with DLUHC to obtain additional HIF funding for the inflation and other cost increases. A DLUHC funding decision is expected in early 2023, which should, if positive, enable a construction start in early 2023. In parallel the team has identified different levels of descope and value engineering items that could be instructed to mitigate part of the budget pressure.

82. Meridian Water Rail Works

The budget assumed that we would have entered the Main Works contract and the Contractor would be carrying out technical design and booking network rail possessions. Due to design delays and delays on the contractor procurement, this is now envisaged to start in November / December 2022. The 2022/23 forecast has been revised to reflect the updated project programme.

83. Meridian 4

Meridian 4 continues to consider alternative delivery options following unprecedented cost inflation. Royal Institute of British Architects (RIBA) stage 4 works will no longer progress in 2022/23, delaying £10.6m of expenditure into next financial year.

84. Companies**Table 10 – Companies Q2 forecast full year spend**

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
Energetik	21.7	21.6	(0.1)
Housing Gateway Ltd	46.3	12.0	(34.2)
Companies	68.0	33.6	(34.3)

Programme status and expected outcomes**85. Housing Gateway Ltd (HGL)****Programme status and expected outcomes**

86. HGL has an overall approved 2022/23 budget of £46.3m. This consists of £44.4m loans and £1.85m GLA Rough Sleepers Accommodation Programme (RSAP). At Q2 HGL forecasts to drawdown £10.2m in loans and to utilise the remaining GLA (RSAP) grant of £1.8m (total £6m RSAP grant funding, of which £4.2m was utilised in 2021/22).
87. The original budget for 2022/23 assumed the acquisition of 70 new properties. To date HGL has acquired 22 properties (14 RSAP part funded and 8 street properties), with a further 17 properties in the pipeline (5 RSAP homes and 12 street properties).
88. Planned acquisitions have been impacted by increases in interest rates throughout the year. As a result of the recent sharp increase in October 2022, HGL has taken the decision not to progress with further acquisitions other than those already in the pipeline.
89. This position is being reviewed on a fortnightly basis and the acquisition programme will be resumed as soon as the financial position allows.
90. Approved capital budget will also facilitate the delivery of a major works programme at Brickfield Housing and Greenway House consisting of the remediation of roofing defects at Greenway House and the replacement of fire doors and remediation of fire safety defects at Brickfield House and Greenway House as well as the extension of 27 leases on properties owned by HGL.

Q2 forecast variance to budget

91. As a result of factors described above, HGL has requested that £34.2m of in-year budget is no longer drawn down this financial year but instead utilised between 2023/24 and 2026/27. This proposed adjustment is fully funded from prudential borrowing.

Energetik

Company performance

92. Energetik is currently constructing the Meridian Water Energy Centre, which is anticipated to be fully constructed by May 2023.
93. As of 31st March 2022, Energetik had 830 connected properties, consisting of 826 residential units and 4 commercial properties. This was ahead of the projected 607 connections, an increase in performance of 36%. The company business plan as approved in 2019 projected that 1,359 properties would be connected by 31st March 2023.
94. Energetik's financial performance is dependent on the pace of development and supply being achieved. A reduction in the pace of development in the borough would delay connections made to the heat network.
95. Energetik recorded a net profit in 2021/22 for the first time of £108k. The previous financial year reported a net loss of £372k. The net profit was driven by one off connection fees and selling electricity at currently elevated prices. Operating profit had improved significantly from £127k as reported in 2020/21 to £1.29m (2021/22). The full financial results for Energetik will be analysed for Cabinet in a separate report in due course. During the current financial year Energetik has continued to make timely loan repayments. As at Quarter two Energetik has drawn a total of £30.3m loans and has repaid back £0.8m, therefore has a closing loan balance of £29.5m. A further £17.75m of grants have been provided in the form of equity in the Company during 2020/21 and 2021/22.

Programme status and expected outcomes

96. Energetik has a 2022/23 approved budget of £21.7m, consisting of £21m Tranche 1, 2 & 3 loans, GLA Retrofit grant £450k & Section 106 £240k.
97. The forecast deliverables for 2022/23 are
- a. Completion of the Meridian Water energy centre build and installing of all plant (target date March 2023);
 - b. Continue with the installation of phase 1 network to Meridian Water and inside the estate;
 - c. Design of the Meridian Waters western extension and application for planning permission;
 - d. Preparation and issue of tender and contractor appointment for works for Meridian Water western extension Phase 2;
 - e. Start of build for Meridian Water northern extension sections A1 and A2.

Q2 forecast variance to budget

98. Planned deliverables above are expected to be achieved within revised forecast outturn of £21.6m (variance of (£0.1m) to budget).

Financing the capital programme

99. Appendix A and Appendix B set out the overall 2022/23 forecast capital spend and financing. Appendices C and D, show the individual forecast for borrowing and grants at programme level.

Borrowing

100. Council approved £254.7m new borrowing for 2022/23 to finance its capital programme. This borrowing forecast was reduced to £230.1m in Q1 and to £169.1m in Q2 (net £85.6m reduction in 2022/23 borrowing to budget).

Table 11 – Q2 forecast full year borrowing

	2022/23	Q1	Q2	variance to
	Budget	forecast	forecast	budget
	£m	£m	£m	£m
Resources	17.4	12.0	11.7	(5.7)
People	0.8	0.5	0.4	(0.3)
Place	56.9	44.8	31.9	(24.9)
Meridian Water	52.6	65.0	53.3	0.7
Companies	65.4	55.9	31.2	(34.2)
HRA	61.6	51.9	40.5	(21.1)
	254.7	230.1	169.1	(85.6)

101. In-year borrowing forecast is reduced by £85.6m in line with changes to forecast capital expenditure budgets. This consists of £64.5m reduction in general fund borrowing and £21.1m reduction in HRA borrowing. Much of this variance relates to borrowing now planned in later years of the capital programme (subject to Council approval) and is not a permanent reduction in overall borrowing requirement.
102. Growth and reductions to the capital programme funded from borrowing are detailed in Tables 3 and 4.
103. HRA borrowing - details available in the separate HRA report on the agenda KD5498.
104. **Revenue impact of the borrowing in the capital programme**
105. The 2022/23 revenue financing cost of borrowing consists of interest costs and Minimum Revenue Provision (i.e. annual provision for repaying debt principal) (MRP). The Council makes annual provision for MRP in accordance with its approved MRP policy (approved February 2022 as part of the Treasury Management Strategy KD5355) for capital expenditure that has been financed from borrowing. MRP is chargeable the year after the respective asset has become operational. The annual charge equates to the amount borrowed to

finance capital expenditure spread over the life of the asset. It follows that any changes in overall borrowing need in 2022/23 will not directly impact on MRP level in 2022/23 but will instead impact on MRP projections from 2023/24 onwards.

106. Changes in the level of 2022/23 borrowing required will however impact on interest costs this financial year. At budget setting (February 2022) the Council budgeted for interest on in-year borrowing to finance the capital programme and refinance maturing debt at 2.5%, however actual rates at Q2 are 5% due to recent interest rate rises.

Grants

107. The Council forecasts utilising £79.2m government grant funding to deliver its 2022/23 capital programme. The variance of (£93.7m) to budget grant utilisation (as detailed in the table below) reflects changes in planned spend in budgets, as described in the respective departmental sections above. Subject to the grant conditions and relevant Council approvals, the grant will be reprofiled to future years at year end.

Table 12 – Q2 forecast full year grant utilisation

	2022/23	Q1	Q2	variance to
	budget	forecast	forecast	budget
	£m	£m	£m	£m
People	33.5	16.2	14.0	(19.5)
Place	12.5	10.0	10.4	(2.2)
Meridian Water	104.4	23.5	19.4	(85.0)
Companies	2.3	2.3	2.2	(0.1)
HRA	20.2	18.2	33.2	13.1
	172.9	70.2	79.2	(93.7)

108. HRA – more capital grant is now available for planned utilisation in 2022/23 (a change in financing as opposed to budget overspend). Details are available in the separate HRA report on the agenda KD5498.

Capital receipts

109. The Council expects to use £2.1m more capital receipts than originally budgeted to fund forecast 2022/23 capital expenditure. General Fund planned capital receipts is unchanged from Q1. Changes in HRA planned utilisation reflect planned increase in the use of Right to Buy receipts.

Table 13 – Q2 forecast full year capital receipts utilisation

	2022/23	Q1	Q2	variance to
	budget	forecast	Forecast	budget
	£m	£m	£m	£m
Waste & Recycling collections	0.0	0.1	0.1	0.1
Montagu Industrial Estate	3.6	0.0	0.0	(3.6)
Meridian One	0.0	1.0	1.0	1.0
HRA	22.8	13.0	27.4	4.6
	26.4	14.1	28.5	2.1

110. Montagu Industrial Estate – a review of the financial model is in progress, which will support negotiations with the Council’s joint venture partner. A capital receipt of around £3m is expected from GBN (waste recycling operator) assuming successful relocation of waste recycling operator. The timing and final value of capital receipt is dependent on the outcome of ongoing financial modelling and negotiations with the JV and waste recycling operator.

111. Meridian One £1.0m assumed capital receipt has been received this year and will be applied as financing for the Meridian Water capital programme spend.

112. HRA - details available in the separate HRA report on the agenda KD5498. HRA capital receipts include use of around £12m Right to Buy receipts already received.

Section 106 / CIL

113. Table 14 below summarises s106 and Community Infrastructure Levy (CIL) utilisation currently assumed in the 2022/23 capital programme. This is broken down into £0.6m s106 contributions and £1.3m CIL.

Table 14: Q2 forecast full year s106 and CIL utilisation

	2022/23	Q1	Q2	variance to
	budget	Forecast	forecast	budget
	£m	£m	£m	£m
Energetik	0.2	0.2	0.2	0.0
Libraries	0.1	0.1	0.1	(0.0)
Healthy Streets	1.0	1.0	0.6	(0.4)
Highways & Street Scene	0.1	0.2	0.2	0.1
Dugdale coffee shop	0.8	0.8	0.8	0.0
	2.2	2.3	1.9	(0.3)

114. Q2 changes include correction to approved s106 contributions allocated as funding for Enfield Chase restoration and the proposed reprofiling of approved s106 contributions for Liveable Neighbourhood Enfield Town to 2023/24.
115. Much of the planned S106 spending will be focused on small-scale improvement works to directly mitigate the impact of development. This includes:
- supporting supply chains, apprenticeships and local employment opportunities (through the Build Enfield programme)
 - improvements to cycle lanes and routes
 - highway and streetscape improvement schemes as part of the healthy streets' agenda
 - school expansion schemes that will serve borough-wide needs including the specialist provision.
116. CIL spending is decided on an annual basis. Spending is allocated to support infrastructure projects that are in line with the priorities set out the capital programme.

Revenue contributions to capital spend

117. Budget originally assumed £0.4m revenue budget would fund capital spend. This assumption has now been entirely removed from the capital programme. Original budget assumed £0.3m revenue budget funding for vehicle replacement programme. This was changed to prudential borrowing in Q1, in line with the rest of the vehicle replacement programme.
118. Alley gating is a rolling £0.1m annual programme to work with residents and communities to secure alleyways at the rear of properties, funded historically from annual revenue contributions. The service is proposed to be removed or reduced to minimum. Both the current 2022/23 and proposed 2023/24 – 2032/33 10 year capital budgets are reduced accordingly.

Table 15 – Q2 forecast full year revenue contributions to finance capital spend

	2022/23	Q1	Q2	Variance to
	Budget	forecast	forecast	budget
	£m	£m	£m	£m
Alley Gating	0.1	0.1	0.0	(0.1)
Vehicle replacement programme	0.3	0.0	0.0	(0.3)
	0.4	0.1	0.0	(0.4)

Flexible use of capital receipts

119. The Medium Term Financial Plan budgeted for the use of £3.4m capital receipts to fund the revenue costs of transformation projects in 2022/23. As at Q2 the Council is forecasting that £2.5m of this budget will be needed to fund spend in 2022/23. This is forecast spend that, in accordance with MHCLG statutory guidance (updated 2 August 2022), will generate ongoing savings for the Council.

Planned spend is on projects included in the Flexible Use of Capital Receipts Strategy approved by Council in February 2022.

120. The £2.5m forecast spend on transformation projects will be funded from unearmarked capital receipts accumulated in previous years. These receipts are from 'qualifying disposals' that were generated in the period for which the direction applies.
121. The Council has £3.8m unutilised capital receipts brought forward from previous year, and a further £0.5m general capital receipts are forecast to be received by 31 March 2023 (total £4.4m forecast unearmarked capital receipts by 31 March 2023). Net residual unearmarked capital receipts of £1.8m (after planned 2022/23 utilisation) is forecast to be carried forward into future years.

Capital funding available to fund future years capital spend

122. The council will continue to review measures to identify and maximise the use of non-borrowing capital funding during Q3.
123. This includes reviewing s106 contributions and CIL received but not yet allocated as well as projections of future contributions over the medium term.
124. Capital grants received but not yet spent will also be reviewed to ensure there are clear strategies for efficient utilisation of this funding within the 10 year capital programme 2023/24 to 2032/33 – in particular with respect to capital investment to potentially mitigate revenue pressures over the medium term.
125. Capital receipts review – including forecast of general fund capital receipts and Right to Buy receipts.

Other Considerations to Note

Public Health Implications

126. Through investment in capital building and maintenance, the Council influences the built environment within Enfield significantly. The built environment in turn influences how residents interact with their environment - for example, during active travel or accessing facilities. Ensuring that our capital buildings are maintained, fit for purpose, and wellbeing considerations are taken in terms of their use, how they promote residents' wellbeing is key to contributing positively towards the public's health. Additionally, ensuring that all buildings have minimal environmental impact also contributes towards enhancing residents' wellbeing.

Environmental and Climate Change Considerations

127. Environmental and climate changes implications are referenced as relevant in the body of the report.

Financial Implications

128. There are no direct financial implications for noting in this report.

Legal Implications

129. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

Property Implications

130. Property implications are implicit in the report

Conclusions

131. Delivery of the 2022/23 capital programme is impacted by global external factors including the aftermath of the Covid19 pandemic, economic impact of the war in Ukraine, disruption of global supply chains, soaring inflation and significant recent increases in borrowing interest rates. These factors have required the Council to re-evaluate the affordability and deliverability of projects in its capital programme. Capital projects have been reconfigured, re-tendered or delayed, particularly where they are funded from prudential borrowing. This has resulted in a Q2 forecast capital outturn of £302.8m in comparison with budget of £486.4m. The Q2 outturn estimate is likely to further change in Period 8.

132. This has had an impact on the level of additional borrowing the Council expects to require in 2022/23, which has reduced from £254.7m (budget) to £169.1m (Q2 forecast). This is especially important given recent increases in borrowing interest rates, which will impact revenue budgets in 2022/23.

133. Significant capital budget is proposed to be reprofiled from 2022/23 to later years, subject to confirmation that the spend is required to deliver approved planned spend and Council approval.

134. Work is ongoing within Financial Services to fully review and identify opportunities to maximise the use of non-borrowing capital funding sources, including capital receipts, capital grants, s106 contributions and CIL.

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Appendices :

Appendix A 2022/23 Q2 capital programme forecast outturn

Appendix B 2022/23 Q2 capital programme forecast outturn financing

Appendix C 2022/23 Q2 borrowing forecast

Appendix D 2022/23 Q2 grants utilisation forecast

Background papers:

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

Capital Outturn 2021/22 (KD5464)

Appendix A: 2022/23 Q2 capital programme forecast outturn

	Budget	Q1	Q2	Variance to Budget	Actual spend at 30 Sep
	£m	£m	£m	£m	£m
IT Investment	17.1	11.7	11.4	(5.7)	0.2
Digital Data & Technology	17.1	11.7	11.4	(5.7)	0.2
Libraries	0.1	0.1	0.1	0.0	0.0
Community Hubs	0.3	0.3	0.3	0.0	0.0
Customer Experience & Change	0.4	0.4	0.4	0.0	0.0
RESOURCES	17.5	12.1	11.7	(5.7)	0.2
Schools Maintenance	16.6	8.0	5.8	(10.8)	1.2
Strategic Schools Places Programme	17.0	8.2	8.2	(8.8)	2.3
Education	33.5	16.2	14.0	(19.5)	3.5
Extensions to Foster Carers' Homes	0.4	0.1	0.1	(0.3)	0.0
Community Safety	0.3	0.3	0.3	0.0	0.0
Vulnerable Families	0.2	0.2	0.2	0.0	0.0
Children & Families	0.8	0.6	0.5	(0.3)	0.0
PEOPLE	34.4	16.7	14.5	(19.9)	3.5
Alley Gating	0.1	0.1	0.0	(0.1)	-
Edmonton Cemetery	0.6	0.6	0.6	(0.0)	0.4
Southgate Cemetery	0.0	0.0	0.1	0.1	0.0
Sloemans Farm	0.2	0.2	0.1	(0.2)	0.0
Workshops for External Commercialisation	0.3	0.3	0.3	-	-
Flood Alleviation	0.5	0.5	0.5	(0.0)	0.4
Highways & Street Scene	9.1	9.7	9.9	0.8	2.5
Changes to Waste & Recycling Collections	-	0.1	0.1	0.1	0.1
Growth of Trade Waste Service	0.5	0.5	0.1	(0.5)	-
Tennis Courts Works at Broomfield Park	0.2	0.2	0.2	-	0.0
Vehicle Replacement Programme	5.5	2.5	1.7	(3.8)	0.9
Healthy Streets	10.5	7.1	5.8	(4.7)	1.2
Traffic & Transportation	0.9	0.7	0.4	(0.5)	0.0
Environment & Operations	28.4	22.6	19.7	(8.8)	5.5

Appendix A: 2022/23 Q2 capital programme forecast outturn

	Budget	Q1	Q2	Variance to Budget	Actual spend
	£m	£m	£m	£m	£m
Meridian One	21.2	21.2	25.6	4.4	5.8
Meridian Two	3.0	3.0	3.0	-	0.1
Meridian Three	0.4	0.4	0.4	-	0.0
Meridian Three and Meridian Four (50/50)	1.9	1.9	1.3	(0.6)	0.0
Meridian Four	12.2	7.0	1.7	(10.6)	0.4
Meridian Five	0.1	0.1	0.1	(0.1)	0.0
Meridian Seven	0.1	0.0	0.1	-	-
Meridian Eight	0.1	0.1	-	(0.1)	-
Meridian Nine	0.1	0.1	-	(0.1)	-
Meridian Ten	0.5	0.5	0.5	-	0.0
Meridian Eleven	-	-	0.1	0.1	-
Meridian Water Scheme-wide	35.7	31.8	21.7	(14.0)	2.1
Meridian Water HIF	81.7	23.5	19.4	(62.4)	3.3
Meridian Water	157.0	89.6	73.7	(83.3)	11.8
Build the Change	14.4	14.0	7.5	(6.9)	4.6
Corporate Condition Programme	5.4	5.4	4.1	(1.3)	0.8
Corporate Property Investment Programme	3.6	2.3	0.9	(2.7)	0.0
Dugdale Coffee Shop	1.5	1.5	1.5	-	0.0
Electric Quarter	1.5	1.5	1.5	-	0.6
Energy Decarbonisation (RE:FIT)	1.3	1.3	1.3	-	1.1
Genotin Road (Metaswitch)	(0.8)	0.5	0.5	1.3	-
Land Investment	7.5	-	-	(7.5)	-
Montagu Industrial Estate	6.5	1.5	1.5	(5.0)	0.1
Tottenham Park Cemetery	0.5	0.5	-	(0.5)	-
Town Centre Regeneration	2.6	2.6	2.6	-	0.7
Property & Economy	44.1	31.2	21.4	(22.6)	7.9
Housing Adaptations & Assistance (DFG)	2.4	2.7	2.7	0.3	0.7
Vacant Property Review	0.5	0.5	0.2	(0.3)	-
Housing & Regeneration	2.9	3.2	2.9	(0.0)	0.7
PLACE (excluding HRA)	232.4	146.5	117.6	(114.9)	25.9
GENERAL FUND (Excluding Companies)	284.1	175.1	143.8	(140.2)	29.6
Energetik	21.7	25.1	21.6	(0.1)	14.5
Housing Gateway Ltd	46.3	33.3	12.0	(34.2)	-

COMPANIES	68.0	58.4	33.6	(34.3)	14.5
TOTAL GENERAL FUND	352.2	233.7	177.6	(174.6)	44.1

Appendix A 2022/23 Q2 capital programme forecast outturn

	Budget	Q1	Q2	Variance to Budget	Actual spend
	£m	£m	£m	£m	£m
Development Programme	22.5	9.3	50.1	27.6	3.2
Bury Street	10.7	10.7	10.7	-	5.6
Electric Quarter	1.3	1.3	1.3	0.0	0.4
Joyce & Snells	6.0	6.7	6.7	0.7	0.4
Development Programme	73.7	52.6	81.6	7.9	12.1
Alma Towers	5.7	3.1	3.1	(2.6)	0.3
Ladderswood	0.2	0.1	0.1	(0.1)	-
New Avenue	0.4	0.3	0.3	(0.0)	-
Estate Regeneration	6.3	3.5	3.5	(2.7)	0.3
Building Safety	26.3	16.8	14.1	(12.2)	3.9
Decency	17.4	17.9	17.1	(0.3)	7.8
Energy Efficiency	4.9	3.2	4.5	(0.4)	0.6
Overheads & other investment	1.7	1.4	1.8	0.1	0.7
Statutory Compliance	3.9	3.0	2.6	(1.3)	1.2
Other HRA	54.2	42.2	40.0	(14.2)	14.2
TOTAL HRA	134.2	98.3	125.1	(9.1)	26.7
TOTAL CAPITAL PROGRAMME	486.4	332.0	302.8	(183.6)	70.8

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
	£m	£m	£m	£m	£m	£m	£m	£m	£m
IT Investment	11.4	-	-	-	-	-	-	11.4	11.4
Digital Data & Technology	11.4	-	-	-	-	-	-	11.4	11.4
Libraries	0.1	-	0.1	-	-	-	-	0.0	0.1
Community Hubs	0.3	-	-	-	-	-	-	0.3	0.3
Customer Experience & Change	0.4	-	0.1	-	-	-	-	0.3	0.4
RESOURCES	11.7	-	0.1	-	-	-	-	11.7	11.7
Schools Maintenance	5.8	5.8	-	-	-	-	-	-	5.8
Strategic Schools Places Programme	8.2	8.2	-	-	-	-	-	-	8.2
Education	14.0	14.0	-	-	-	-	-	-	14.0
Extensions to Foster Carers' Homes	0.1	-	-	-	-	-	-	0.1	0.1
Community Safety	0.3	0.0	-	-	-	-	-	0.2	0.3
Vulnerable Families	0.2	-	-	-	-	-	-	0.2	0.2
Children & Families	0.5	0.0	-	-	-	-	-	0.5	0.5
PEOPLE	14.5	14.2	-	-	-	-	-	0.5	14.5
Edmonton Cemetery	0.6	-	-	-	-	-	-	0.6	0.6
Southgate Cemetery	0.1	-	-	-	-	-	-	0.1	0.1
Sloemans Farm	0.1	-	-	-	-	-	-	0.1	0.1
Workshops for External Commercialisation	0.3	-	-	-	-	-	-	0.3	0.3
Flood Alleviation	0.5	0.2	-	-	-	-	-	0.3	0.5
Highways & Street Scene	9.9	0.6	0.2	-	-	-	-	9.1	9.9
Changes to Waste & Recycling Collections	0.1	-	-	-	0.1	-	-	-	0.1

Growth of Trade Waste Service	0.1	-	-	-	-	-	-	0.1	0.1
Tennis Courts Works at Broomfield Park	0.2	0.1	-	-	-	-	-	0.1	0.2

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Vehicle Replacement Programme	1.7	-	-	-	-	-	-	1.7	1.7
Healthy Streets	5.8	4.1	0.6	-	-	-	-	1.1	5.8
Traffic & Transportation	0.4	0.4	-	-	-	-	-	-	0.4
Environment & Operations	19.7	5.7	0.8	0.0	0.1	-	-	13.1	19.7
Meridian One	25.6	-	-	-	1.0	-	-	24.6	25.6
Meridian Two	3.0	-	-	-	-	-	-	3.0	3.0
Meridian Three	0.4	-	-	-	-	-	-	0.4	0.4
Meridian Three and Meridian Four (50/50)	1.3	-	-	-	-	-	-	1.3	1.3
Meridian Four	1.7	-	-	-	-	-	-	1.7	1.7
Meridian Five	0.1	-	-	-	-	-	-	0.1	0.1
Meridian Seven	0.1	-	-	-	-	-	-	0.1	0.1
Meridian Ten	0.5	-	-	-	-	-	-	0.5	0.5
Meridian Eleven	0.1	-	-	-	-	-	-	0.1	0.1
Meridian Thirteen	0.0	-	-	-	-	-	-	0.0	0.0
Meridian Water Scheme-wide	21.7	-	-	-	-	-	-	21.7	21.7
Meridian Water HIF	19.4	19.4	-	-	-	-	-	-	19.4
Meridian Water	73.7	19.4	-	-	1.0	-	-	53.3	73.7
Broomfield House	-	-	-	-	-	-	-	-	-
Build the Change	7.5	-	-	-	-	-	-	7.5	7.5
Corporate Condition Programme	4.1	-	-	-	-	-	-	4.1	4.1
Corporate Property Investment	0.9	-	-	-	-	-	-	0.9	0.9

Programme									
Dugdale Coffee Shop	1.5	-	0.8	-	-	-	-	0.7	1.5

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
Electric Quarter	1.5	-	-	-	-	-	-	1.5	1.5
Energy Decarbonisation (RE:FIT)	1.3	1.3	-	-	-	-	-	-	1.3
Genotin Road (Metaswitch)	0.5	-	-	-	-	-	-	0.5	0.5
Land Investment	-	-	-	-	-	-	-	-	-
Montagu Industrial Estate	1.5	-	-	-	-	-	-	1.5	1.5
Town Centre Regeneration	2.6	0.7	-	-	-	-	-	2.0	2.6
Property & Economy	21.4	1.9	0.8	-	-	-	-	18.7	21.4
Housing Adaptations & Assistance (DFG)	2.7	2.7	-	-	-	-	-	-	2.7
Vacant Property Review	0.2	-	-	-	-	-	-	0.2	0.2
Housing & Regeneration	2.9	2.7	-	-	-	-	-	0.2	2.9
PLACE (excluding HRA)	117.6	29.3	1.8	0.0	1.1	-	-	85.4	117.6
GENERAL FUND (Exc Companies)	143.6	43.3	1.8	0.0	1.1	-	-	97.4	143.6
Energetik	21.6	0.4	0.2	-	-	-	-	21.0	21.6
Housing Gateway Ltd	12.0	1.9	-	-	-	-	-	10.2	12.0
COMPANIES	33.6	2.2	0.2	-	-	-	-	31.2	33.6
TOTAL GENERAL FUND	177.6	46.0	1.9	0.0	1.1	-	-	128.6	177.6

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Development Programme	50.1	17.1	-	-	7.4	-	9.9	15.7	50.1
Development Programme: Bury Street	10.7	1.3	-	-	-	-	-	9.4	10.7
Development Programme: Electric Quarter	1.3	0.3	-	-	-	-	-	1.0	1.3
Development Programme - Joyce & Snells	6.7	-	-	-	1.0	-	1.6	4.1	6.7
Development Programme	81.6	29.7	-	-	8.3	-	11.8	31.7	81.6
Alma Towers	3.1	3.0	-	-	-	-	-	0.1	3.1
Ladderswood	0.1	-	-	-	-	-	-	0.1	0.1
New Avenue	0.3	-	-	-	-	-	0.0	0.3	0.3
Estate Regeneration	3.5	3.0	-	-	-	-	0.0	0.5	3.5
Building Safety	14.1	-	-	-	6.9	0.4	-	6.7	14.1
Decency	17.1	-	-	-	8.5	8.6	-	-	17.1
Energy Efficiency	4.5	0.5	-	-	1.8	0.8	-	1.5	4.5
Overheads & other investment	1.8	-	-	-	0.7	0.2	1.0	0.0	1.8
Statutory Compliance	2.6	-	-	-	1.2	1.4	-	0.0	2.6
Other HRA	40.0	0.5	-	-	19.0	11.3	1.0	8.2	40.0
TOTAL HRA	125.1	33.2	-	-	27.4	11.3	12.8	40.5	125.1
TOTAL CAPITAL PROGRAMME	302.8	79.2	1.9	0.0	28.5	11.3	12.8	169.1	302.8

Appendix C: 2022/23 Q2 borrowing forecast

	Budget	Q1 forecast	Q2 forecast	Variance to budget
	£m	£m	£m	£m
IT investment	17.1	11.7	11.4	(5.7)
Community Hubs	0.3	0.3	0.3	(0.0)
Resources	1.4	1.4	0.2	(1.2)
Extensions to Foster Carers' homes	0.4	0.1	0.1	(0.3)
Community Safety	0.2	0.2	0.2	0.0
People	0.6	0.3	0.3	(0.3)
Build the Change	14.4	14.0	7.5	(6.9)
Corporate condition programme	5.4	5.4	4.1	(1.3)
Corporate property investment programme	3.6	2.3	0.9	(2.7)
Dugdale Centre (coffee shop)	0.7	0.7	0.7	0.0
Electric Quarter	1.5	1.5	1.5	0.0
Genotin Road (Metaswitch)	(0.8)	0.5	0.5	1.3
Land investment	7.5	0.0	0.0	(7.5)
Montagu Industrial Estate	2.9	1.5	1.5	(1.4)
Tottenham Park Cemetery	0.5	0.5	0.0	(0.5)
Town centre regeneration	2.3	2.3	2.0	(0.3)
Property & Economy	38.0	28.7	18.7	(19.3)
Edmonton cemetery	0.6	0.6	0.6	0.0
Sloeman's Farm	0.0	0.2	0.1	0.1
Workshops for commercial externalisation	0.3	0.3	0.3	(0.1)
Flood alleviation	0.4	0.3	0.3	(0.1)
Highways & Street Scene	9.0	9.1	9.1	0.1

Trade waste	0.5	0.5	0.1	(0.5)
Broomfield Park tennis courts	0.1	0.1	0.1	0.0
Vehicle replacement programme	5.1	2.5	1.7	(3.4)

Appendix C: 2022/23 Q2 borrowing forecast

	Budget	Q1 forecast	Q2 forecast	Variance to budget
	£m	£m	£m	£m
Healthy Streets	1.3	1.1	0.8	(0.5)
Environment & Operations	17.3	14.7	13.0	(4.3)
Housing adaptations (DFG)	0.9	0.9	0.0	(0.9)
Empty Homes	0.5	0.5	0.2	(0.3)
Housing & Regeneration	1.4	1.4	0.2	(1.2)
Meridian One	12.6	20.2	24.6	12.0
Meridian Two	2.6	3.0	3.0	0.4
Meridian Three	0.2	0.4	0.4	0.2
Meridian Three and Meridian Four (50/50)	1.0	1.9	1.3	0.3
Meridian Four	7.3	7.0	1.7	(5.6)
Meridian Five	0.0	0.1	0.1	0.1
Meridian Seven	0.0	0.1	0.1	0.1
Meridian Ten	0.0	0.5	0.5	0.5
Meridian Scheme-wide	19.4	31.8	21.7	2.3
Meridian Water HIF	9.4	0.0	0.0	(9.4)
Meridian Water	52.5	65.0	53.3	0.8
Energetik	21.0	24.5	21.0	0.0
Housing Gateway Ltd	44.4	31.5	10.2	(34.2)
Companies	65.4	56.0	31.2	(34.2)
Contributions to Property (vulnerable families)	0.2	0.2	0.2	0.1
People	0.2	0.2	0.2	0.1
Total General Fund	192.7	178.3	128.5	(64.2)

Total HRA	61.6	51.9	40.5	(21.1)
Total	254.7	230.1	169.1	(85.6)

Appendix D: 2022/23 Q2 grants utilisation forecast

	Budget	Q1 forecast	Q2 forecast	Budget variance	Grant funding body
	£m	£m	£m	£m	
Schools maintenance	16.5	7.9	5.8	(10.7)	DFES school condition grant
Strategic schools places prog	17.0	8.2	8.2	(8.8)	DFES Basic Needs grant
People	33.5	16.1	14.0	(19.5)	
Flood alleviation	0.2	0.2	0.2	(0.0)	GLA
Highways & Street Scene	0.0	0.4	0.4	0.4	TfL grant
Highways & Street Scene	0.0	0.0	0.2	0.2	Local London grant
Broomfield Park tennis courts	0.1	0.1	0.1	0.0	London Marathon Charitable Trust
Healthy Streets	8.2	5.1	4.4	(3.8)	TfL grant
Traffic & Transportation	0.9	0.7	0.4	(0.5)	TfL grant
Environment & Operations	9.4	6.5	5.7	(3.7)	
Energy decarbonisation (RE:FIT)	1.3	1.3	1.3	(0.0)	BEIS PS Decarbonisation Scheme
Town Centre Regeneration	0.4	0.4	0.7	0.3	Good Growth Fund
Property & Economy	1.7	1.7	1.9	0.2	
Housing adaptations (DFG)	1.5	1.8	2.7	1.2	Better Care Fund
Housing & Regeneration	1.5	1.8	2.7	1.2	
Meridian Water Four	12.7	0.0	0.0	(12.7)	MHCLG Housing Infrastructure Fund
Meridian Water Scheme-wide	18.0	0.0	0.0	(18.0)	MHCLG Housing Infrastructure Fund
Meridian Water HIF	73.6	23.5	19.4	(54.2)	MHCLG Housing Infrastructure Fund
Meridian Water	104.3	23.5	19.4	(84.9)	
Energetik	0.4	0.4	0.4	(0.1)	BEIS Heat Networks Infrastructure Grant
Housing Gateway Ltd	1.9	1.9	1.9	(0.0)	MHCLG - Rough Sleepers Acc Programme
Companies	2.3	2.3	2.2	(0.1)	

Total General Fund	152.7	51.9	46.0	(106.7)	
Total HRA	20.2	18.3	33.2	13.0	
Total	172.9	70.2	79.2	(93.7)	

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London Borough of Enfield

CABINET

Meeting Date: 14 December 2022

Subject: Treasury Management Mid Year Report for 2022/23

Cabinet Member: Cllr Leaver

Executive Director: Fay Hammond

Key Decision: KD 5496

Purpose of Report

1. This report reviews the activities of the Council's Treasury Management function over the half year period ended 30 September 2022.
2. Over the reporting period, all treasury management (TM) activities have been carried out in accordance with the approved limits and the prudential indicators (PI) set out in the Council's Treasury Management Strategy statement.
3. The key points of the report are highlighted below:

		See section:
Borrowing Outstanding and Net Borrowing at 30th September 2022	The borrowing outstanding has reduced by £2.95m since 31 st March 2022 to £1,012.2m as at 30 th September 2022. Net Borrowing for this period is £969.9m with year end revised forecast of £1,170.2m.	12
Capital Financing Requirement (CFR)	<p>The Council's forecast borrowing for the year is being re-evaluated as the cost of refinancing existing debt reduces the capacity and affordability on new borrowing.</p> <p>The CFR measures the underlying need to borrow. The forecast for 31st March 2023 is £1,410.5m, which is £172.2m more than the closing borrowing CFR position of £1,238.3m, as at 31st March 2022.</p>	13 & 25
Average interest on total borrowing outstanding	The average interest rate for Enfield's external debt was 2.54% as 30 Sept 2022 compared to the average rate of 2.59% during 2022/23. The original estimated cost of borrowing for the year 2022/23 was £32.5m,	32, 38 & 39

	revised to £30.7m.	
Investments & Net Borrowing, PFI & Finance Leases (Debt)	Interest earned on investments for the reporting period is £388k. The Investments portfolio at 30 th September 2022 is £42.3m.	
Loans Rescheduling	None undertaken.	55
Minimum Revenue Provision (MRP)	MRP chargeable to the General Fund (GF) for 2022/23 is £19.6m.	57
Compliance with Treasury Management & Prudential Indicators	No breaches. Officers introduced the new proposed CIPFA prudential and treasury indicators to test the Council's borrowing position and the strength of its affordability.	59 - 70
Borrowing Timing and Interest Rate Analysis	The Council entered into a forward short term borrowing of £44m from other local authorities with an average rate of 3.7%. The start dates for these borrowings is between 3 rd October 2022 to 25 th November 2022. This short term borrowing will be converted to long term debt when the rates are advantageous. There is likely to be a further requirement to borrow in this financial year.	

Proposals

4. Members are asked to
 - (i) note and comment on the contents of the report and
 - (ii) approve for the report to proceed to Council.

Reason for Proposals

5. To inform Council of the Treasury Management performance for the half year period ended 30 September 2022.
6. The Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management half yearly and annual reports.
7. The Council's Treasury Management Strategy for 2022/23 was approved at the Council's meeting on the 24th February 2022. As with all organisations, the Council is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates.

Relevance to the Council's Corporate Plan

8. This report shows the performance of Treasury activities, including borrowing that finances the Council's investment in the borough, in line with the Council's Corporate Plan. In particular:
- a. Good homes in well-connected neighbourhoods.
 - b. Build our Economy to create a thriving place.
 - c. Sustain Strong and healthy Communities.

Background

9. Enfield Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management semi annual and annual reports. This midyear report provides an update.
10. The Council's Treasury Management strategy for 2022/23 was approved at the Council meeting on 24th February 2022. The Council's borrowing and requirement to refinance borrowing means that Enfield is exposed fluctuations in interest rates. The successful identification, monitoring and control of risk remains central to the Council's Treasury Management Strategy.
11. The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 24th February 2022.
12. On 30th September 2022, the Council had net borrowing of £969.9m arising from its revenue and capital income and expenditure. The treasury management position as at 30th September 2022, the change over the six months and the original forecast position for 31st March 2023 are shown in Table 1 below.

Table 1: Treasury Management Summary

	Actual Balance 31.03.22 £m	Movement £m	Actual Balance 30.09.22 £m	Original Forecast 31.03.23 £m	Revised Forecast 31.03.23 £m
Long-term borrowing	980.1	(12.9)	967.2	1,328.9	1,146.2
Short-term borrowing	35.0	10.0	45.0	0.0	59.0
Total borrowing	1,015.1	(2.9)	1,012.2	1,328.9	1,205.2
Total investments	(95.6)	52.8	(42.3)	(35.0)	(35.0)
Net borrowing	919.5	(49.9)	969.9	1,293.9	1,170.2

13. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 2 below.

Table 2: Balance Sheet Summary

	31 March 2022 Actual £m
General Fund CFR	969.9
HRA CFR	268.4
Borrowing CFR	1,238.3
External borrowing	1,015.1
Internal borrowing	223.2
Less: Usable reserves	(249.6)
Less: Working capital	122.0
Net investments	(95.6)

*finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

ECONOMIC BACKGROUND

14. The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. The UK political situation towards the end of the period following the 'fiscal event' increased uncertainty further.
15. The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy.
16. UK inflation remained extremely high. Annual headline CPI hit 10.1% in July, the highest rate for 40 years, before falling modestly to 9.9% in August. RPI registered 12.3% in both July and August.
17. The Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected.

18. On 23rd September the UK government, following a change of leadership, announced a raft of measures in a 'mini budget', loosening fiscal policy with a view to boosting the UK's trend growth rate to 2.5%. With little detail on how government borrowing would be returned to a sustainable path, financial markets reacted negatively. Gilt yields rose dramatically by between 0.7% - 1% for all maturities with the rise most pronounced for shorter dated gilts. The swift rise in gilt yields left pension funds vulnerable, as it led to margin calls on their interest rate swaps and risked triggering large scale redemptions of assets across their portfolios to meet these demands. It became necessary for the Bank of England to intervene to preserve market stability through the purchase of long-dated gilts, albeit as a temporary measure, which has had the desired effect with 50-year gilt yields falling over 100bps in a single day.
19. Bank of England policymakers noted that any resulting inflationary impact of increased demand would be met with monetary tightening, raising the prospect of much higher Bank Rate and consequential negative impacts on the housing market.
20. Gilt rates are important for Enfield as they are an indicator of PWLB borrowing rates (roughly gilt rates +0.8%).
21. Over the period the 5-year UK benchmark gilt yield rose from 1.41% to 4.40%, the 10-year gilt yield rose from 1.61% to 4.15%, the 20-year yield from 1.82% to 4.13% and the 50-year yield from 1.56% to 3.25%. The Sterling Overnight Rate (SONIA) averaged 1.22% over the period.

BORROWING STRATEGY DURING 2022/23

22. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority.
23. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; Enfield has no plans to buy investment assets primarily for yield.
24. The chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

25. The 2022/23 Treasury Management Strategy sets out an operational borrowing limit of £1,355m and maximum borrowing requirements of £1,655m for the year. As at 30th September there is headroom in this approval of £338 million borrowing.
26. The Council's forecast borrowing for the year is being re-evaluated as the cost of refinancing existing debt reduces the capacity and affordability on new borrowing.
27. During 2022/23, short term new borrowing of £69m has been taken from other local authorities at an average rate of 3.7%, in keeping with the above objectives. This strategy enabled the Council to reduce net borrowing costs and the loans will be replaced with PWLB loans when borrowing rates are more favourable.
28. At 30th September 2022 the Council held £1,012.2m of loans, (a decrease of £2.95m since 1st April 2022), as part of its strategy for funding the Council's previous and current year's capital programmes. Outstanding loans on 30th September are summarised in Table 3 below.

Table 3: Borrowing Position

Type of Loan	31.3.22 Actual £m	Movement £m	30.9.22 Actual £m	31.3.23 *Original Forecast £m	31.3.23 ^Revised Forecast £m
PWLB	928.3	12.0	916.3	1,279.6	£1,097.0
European Investment Bank	7.9	0.2	7.8	7.6	0.0
GLA	1.2	0.0	1.2	0.8	7.6
HNIP	21.6	0.0	21.6	21.4	0.8
LEEF	2.1	0.3	1.7	1.4	21.4
MEEF	15.0	0.0	15.0	15.0	1.4
SALIX	4.1	0.5	3.6	3.1	15.0
Local Authority	35.0	10.0	45.0	0.0	59.0
Total	1,015.1	(2.9)	1,012.2	1,328.9	1,205.2

*Original Forecast as stated in TMSS 2022/23, approved by Council 24 February 2022

^Revised Forecast based on current level of activities

29. The Council has 109 loans spread over 50 years with the average maturity being 21 years. The maturity profile allows the Council to spread the risk of high interest rates when debt matures in any one year. The average interest for the period is 2.54%. The level of borrowing for this financial year has been revised down to £1,097m from £1,279.6m due to capital programme slippage.

The Capital Financing Requirement (CFR)

30. The Capital Financing Requirement measures the Council's underlying borrowing requirement.

Capital Financing Requirement (CFR)	Actual Balance 31 March 2022 £m	Original Forecast 31 March 2023 £m	Revised Forecast 31 March 2023 £m
General Fund	969.9	1,150.5	1,090.0
Housing Revenue Account	268.4	334.8	320.5
Borrowing CFR	1,238.3	1,485.3	1,410.5
External Borrowing	1,015.1	1,328.9	1,205.2
Internal Borrowing	223.25	156.43	205.28
Authorised Limit	1,600.0	1,655.0	1,655.0

Table 4: Capital Financing Requirement (CFR)

*Total CFR includes finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

Other Debt Activity

31. The forecast for 31st March 2023 for Private Finance Initiative (PFI) or finance leases liabilities which represent the total debt other than borrowing for the Council is £26m after the repayment of circa £4m scheduled for the year.

Cost of Borrowing

32. The average interest rate forecast on total external debt for 2022/23 is 2.54%. Table 5 shows the Council's total cost of maintaining its debt portfolio, as well as how the debt cost has been recharged to the HRA and to LBE Companies. The overall interest cost chargeable to the General Fund is £3.2m.

Table 5: Cost of Borrowing

Type of Loan	Actual for 31.03.22 £,000	Original Forecast 31.03.23 £,000	Revised Forecast 31.03.23 £,000	Actual as at 30.09.22 £,000
Public Works Loan Board	23,946.3	23,754	29,766.1	12,415.8
Local Authority Long-Term	0.0	8,225	0.0	0.0
EIB	188.9	181.0	181.0	91.5
GLA	0.0	0.0	0.0	0.0
HNIP	20.7	18.0	18.5	10.7
LEEF	42.2	31.0	30.8	16.9
MEEF	149.2	180.0	179.5	89.3
Total Interest on Long Term Debt	24,347.1	32,388	30,175.9	12,624.1
Short term Loans	0.0	0.0	417.6	8.3
Other Costs & Commission	200.0	101.0	111.7	0

on loans				
Total Cost of Debt	24,547.1	32,489	30,705.2	12,632.4
Funded by:				
Housing Revenue Account	9,833.0	12,072	13,387.6	0.0
Capitalised Interest on Meridian Water	6,942.3	9,218	9,790.8	0.0
Housing Gateway Ltd (HGL)	3,126.8	3,387.5	3,285.5	1,507.7
Energetik	613.1	780.5	907.2	637.8
Schools Debt Recharges	137.3	0	131.8	0
Investment Income	194.7	0	0	388.3
General Fund	3,700.0	7,031	3,202.2	10,098.5
Total Cost of Debt	24,547.1	32,489	30,705.2	12,632.4

33. The original estimated cost of borrowing was £32.5m, this has been revised down to £30.7m as the level of borrowing for this financial year has been reduced due to capital programme slippage and the prevailing higher interest rate environment.
34. Energetik pay a premium on their interest rate to meet the State Aid regulations set by the European Union.

Loans Maturity

35. The Council has 109 loans spread over 50 years with the average maturity being 21 years. The maturity profile allows the Council to spread the risk of high interest rates when debt matures in any one year.
36. Table 6 shows the maturity structure of the Council's Loans portfolio as at 31 March 2021 and forecast for 31 March 2022:

Table 6: Profile of Maturing Loans

	Loans Outstanding Actual as at 31 March 22	Loans Outstanding Forecast for 31 March 23
	£m	£m
Under 1 year	61.1	101.4
1 – 2 years	25.0	91.5
2 – 5 years	51.7	84.9
5 – 10 years	147.1	197.1
10 – 15 years	139.0	139.0
15 – 20 years	152.2	152.2

20 – 25 years	49.8	49.8
25 – 30 years	69.5	69.5
30 – 35 years	85.0	85.0
35 – 40 years	41.0	41.0
40 – 45 years	88.8	88.8
45+ years	105.0	105.0
	1,015.1	1,205.2

Treasury Investment Activity

37. The Council holds some invested funds, representing income received in advance of expenditure plus balances and reserves held. Total cash balances over the year varied considerably, predominantly because of the significant peaks and troughs arising from payment profiles of business rate collections, capital expenditure, DWP payments and housing benefit payments.
38. During this reporting period the Council's investment balance ranged between £15m and £98m due to timing differences between income and expenditure. The investment position at 30th September 2022 is shown in table 7 below.

Table 7: Treasury Investments

Counterparties	31.3.22 Actual £m	Movement £m	30.9.22 Actual £m
Money Market Funds			
Aberdeen (Ignis)	25.0	(25.0)	0.0
Aviva	10.0	1.9	11.9
CCLA	25.0	(25.0)	0.0
Deutsche	0.0	0.0	0.0
Federated	10.0	(4.2)	5.8
Goldman Sachs	25.0	(25.0)	0.0
HSBC Liquidity	0.0	0.0	0.0
Invesco	0.0	24.7	24.7
Call Accounts			
Santander	0.6	(0.6)	0.0
HSBC	0.0	0.0	0.0
	95.6	(53.4)	42.3

39. The Council generated investment income of £388k on cash balances held in call accounts and money market funds for this reporting period. On average

the Council's cash investment portfolio had a risk weighting equivalent to A-credit rating.

40. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
41. Because the Council's externally managed funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives are regularly reviewed.
42. The increases in Bank Rate over the period under review, and with the prospect of more increases to come, short-dated cash rates, which had ranged between 0.7% - 1.5% at the end of March, rose by around 1.5% for overnight/7-day maturities and by nearly 3.5% for 9-12 month maturities.
43. By end September, the rates on DMADF deposits ranged between 1.85% and 3.5%. The return on the Council's sterling low volatility net asset value (LVNAV) Money Market Funds ranged between 0.9% - 1.1% p.a. in early April and between 1.8% and 2.05% at the end of September.
44. Given the risk of the Council's portfolio having all the investments in Money Market Funds and the risk of the short-term unsecured bank investments, officers are proposing to invest in alternative and higher yielding asset classes. The Council needs to maintain its professional status in alignment with MiFID II requirements, hence officers are arranging to invest at least £10m for a longer-term by considering investment in Secured Deposits via the Repo Market / covered bonds / corporate bonds / RP facilities, pooled property/bond/equity/multi-asset funds as deemed appropriate.
45. In 2022/23 the Council expects to receive better income from its cash and short-dated money market investments than it did in 2021/22.

Investment Benchmarking

46. Both the CIPFA Code and Government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield.

Table 8 – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %

31.03.2022	4.90	A+	100%	1	0.52%
30.06.2022	4.86	A+	100%	1	1.10%
30.09.2022	4.78	A+	100%	1	2.12%
Similar LAs	4.30	AA-	62%	37	1.79%
All LAs	4.29	AA-	55%	17	1.72%

47. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
48. The progression of risk and return metrics are being measured and monitored. An extract of the metrics being used from Arlingclose's quarterly investment benchmarking is shown in Table 8 above for the reporting period.
49. The Money Market Funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's medium- to long-term investment objectives are regularly reviewed.
50. The return on Money Market Funds net of fees has improved significantly, the Council is currently earning 2.12% and above on investments.

Non-Treasury Investment

51. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return.
52. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) now named Department for Levelling Up, Housing and Communities, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
53. For this reporting period, the Council investments to its subsidiaries stood at £156.6m. Which currently consist solely of loans but in future it will include provision of working capital and injection of equities into the companies. A list of the Council's non-treasury investments is shown in below table 9:

Table 9: Non-Treasury Investments

Loans made to LBE Companies	31.3.22 Balance £m	Movement £m	30.9.22 Balance £m
HGL	127.4	(0.3)	127.1
Energetik	15.2	14.3	29.56
Total	142.6	14.0	156.6

Net Debt (Borrowing, PFI & Leases)

54. The estimated budget position for 2022/23 recognises that future capital expenditure will need to be financed from external borrowing and will create pressure on the revenue budget. In light of the current economic conditions, the Council is reviewing its borrowing forecast for 2022/23.

Table 10: Net Debt

	31.03.22 Actual £m	2022/23 Original Budget £m	2022/23 Revised Budget £m	2022/23 Interest Forecast £m
Companies	147.3	212.0	177.7	4.3
Meridian Water	350.9	406.1	413.8	9.8
Other GF*	471.7	532.5	498.5	3.2
HRA	268.4	334.8	320.5	13.4
Total Loans CFR	1,238.3	1,485.3	1,410.5	30.7
<i>Add: PFI & Finance leases</i>	30.3	26.3	26.3	0.0
<i>Less Internal Borrowing</i>	(253.6)	(182.8)	(231.6)	0.0
Total External Borrowing	1,015.1	1,328.9	1,205.2	30.7
Total treasury investments	(35.5)	(35.0)	(35.0)	-
Net Debt	979.6	1,293.9	1,170.2	-

Loans Restructuring

55. Loans restructuring normally involves prematurely replacing existing loans (at a premium or discount) with new loans to secure net savings in interest payable or a smoother maturity profile. Restructuring can involve the conversion of fixed rate interest loans to variable rate loans and vice versa.
56. No restructuring was done during the year as the new PWLB borrowing rates and premature repayment rates made rescheduling uneconomic. The Council will continue to actively seek opportunities to restructure debt, if viable.

Minimum Revenue Provision

57. In accordance with the Local Government Act 2003, the Council is required to make provision for repayment of an element of the accumulated General

Fund capital expenditure, which was funded from borrowing, through an annual revenue charge known as the Minimum Revenue Provision (MRP).

58. The 2022/23 TMSS that was approved by Council at its meeting in February 2022 had MRP budget for 2022/23 as £19.6m and interest chargeable to the General Fund (GF) of £7m.

Compliance with Treasury Management Indicators

59. Within the prudential indicators there are several key indicators to ensure that the Council operates its activities within well defined limits. For example, the operational borrowing limit set by the Council determines the external debt levels which are not normally expected to be exceeded, whereas the authorised borrowing limit represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs full council to approve any increase.
60. Since the beginning of this financial year 2022/23 the total loan debt was kept within the limits approved by the Council against an authorised limit of £1,655m. The authorised limit (as defined by the Prudential Code) was set as a precaution against the failure, to receive a source of income or a major unexpected expenditure. In the unlikely event of this happening, the Council would need to borrow on a temporary basis to cover the shortfall in cash receipts. Any significant breach must be reported to the Council.
61. Officers report that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.
62. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 11 below.

Table 11: Prudential Indicators

Debt Limits	30.9.22 Actual £m	2022/23 Maximum £m	2022/23 Operational Boundary £m	2022/23 Authorised Limit £m	Complied? Yes/No
Borrowing	1,012.2	1,013.4	1,329	1,629.0	Yes
PFI and Finance Leases	26.3	26.3	26.0	26.0	Yes
Total debt	1,038.5	1,039.7	1,355	1,655.0	Yes

63. Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to

variations in cash flow, and this is not counted as a compliance failure. Although total debt was not above the operational boundary during this reporting financial year.

Treasury Management Indicators

64. The Council measures and manages its exposures to treasury management risks using the following indicators.
65. **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value weighted average credit rating and credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 12: Credit Risk

	30.9.22 Actual	2022/23 Target	Complied?
Portfolio average credit rating	A+	A	Yes
Portfolio average credit score	4.78	6	Yes

66. **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Table 13: Liquidity Risk Indicator

	30.9.22 Actual	2022/23 Target	Complied?
Total cash available within 3 months	£46.3	£25m	Yes

67. **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The Council held no variable interest rate debt during 2022/23. However, the Council's Treasury Management Strategy does permit variable interest rate loans.

Table 14: Interest Rate Risk Indicator

	30.9.22 Actual	2022/23 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	Nil	+£4m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	Nil	+£4m	Yes

68. The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

69. **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Table 15: Maturity Structure

	30.9.22 Actual	30.9.22 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	£84.0m	8.3%	30%	0%	Yes
12 months & within 24 months	£26.1m	2.6%	35%	0%	Yes
24 months and within 5 years	£51.2m	5.1%	40%	0%	Yes
5 years and within 10 years	£147.5m	14.6%	45%	0%	Yes
10 years and above	£704.3m	69.5%	100%	0%	Yes

70. **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 16: Sum Invested Over One Year

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	Nil	Nil	Nil
Limit on principal invested beyond year end	£15m	£15m	£15m
Complied?	Yes	Yes	Yes

Safeguarding Implications

71. None arising from this report

Public Health Implications

72. The Council's Treasury Management indirectly contributes to the delivery of Public Health priorities in the Borough.

Equalities Impact of the Proposal

73. 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.

Environmental and Climate Change Considerations

74. There are no environmental and climate change considerations arising from this report.

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

75. Lack of robust governance inevitably involves a degree of risk. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

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

76. Not approving the report recommendations and not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Council's treasury activities.

Financial Implications

77. This is a noting report which fulfils the requirement to report annually the performance of the Council's treasury management activities. Financial implications are set out in the body of the report.

Legal Implications

78. The Local Government Act 2003 provides a framework for the capital finance of local authorities. It provides a power to borrow and imposes a duty on local authorities to determine an affordable borrowing limit. It provides a power to invest. Fundamental to the operation of the scheme is an understanding that authorities will have regard to proper accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in carrying out capital finance functions.
79. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require the Council to have regard to the CIPFA publication "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" ("the Treasury Management Code") in carrying out capital finance functions under the Local Government Act 2003.
80. This noting report of the Executive Director of Resources advises Council of the Council's borrowing and investment activities for the half-year ending 30th September 2021 and is consistent with the key principles expressed in the Treasury Management Code. The Executive Director of Resources has responsibility for overseeing the proper administration of the Council's financial affairs, as required by section 151 of the Local Government Act 1972 and is the appropriate officer to advise in relation to these matters.

Workforce Implications

81. No direct workforce implications

Property Implications

82. None

Other Implications

83. None

Options Considered

84. 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. This report is required to comply with the Council's Treasury Management Policy statement, agreed by Council.

Conclusions

85. Over the reporting year all treasury management (TM) activities have been carried out in accordance with the approved limits and the prudential indicators (PI) set out in the Council's Treasury Management Strategy statement. For more details, see section 54 – 65.
86. The Council held outstanding investments of £42.3m as at 30th September 2022. This portfolio earned an interest of £388k for the reporting period.
87. Gross Debt (Council's total borrowing, PFI and Finance Leases) stood at £1,012.2m, this is a reduction from the opening balance of £1,015.1m. The original gross debt forecast for 2022/23 was £1,328.9m and now revised down to £1,205.2m due to capital programme slippage.
88. The revised borrowing CFR forecast for 2022/23 is in excess of last year closing position of £1,238.3m by some £172.2m to £1,410.5m. See section 30 for more details.
89. The MRP charge for 2022/23 is £19.6m, see section 53 for more details.
90. The Total Borrowing for the reporting period stood at £1,012.2m, a reduction of £2.9m over 2021/22 closing balance of £1,015.1m. The original total borrowing forecast for 2022/23 was £1,328.9m, has been revised down to £1,205.2m, this equates to some £123.7m reduction in borrowing need for this financial year. For more details, see section 49.
91. The net borrowing is the difference between total investments outstanding and the total borrowing outstanding. For this reporting period, it stood at £969.9m and the net debt (borrowing including PFI and finance leases) position is £991.2m. For more details, see section 14.
92. The original gross interest forecast for financing external borrowing for the year are £32.5m and this has been revised to £30.7m due to capital programme activity levels and the prevailing higher interest. The proportion of interest chargeable to the General Fund for the 2022/23 is £7m. For more details, see section 32.

93. The Council loans to its companies stood at £156.6m for this reporting period. Future provisions to the companies will include provision of working capital and injection of equities into the companies. For more details, see section 48.
94. Over the reporting year all treasury management (TM) activities have been carried out in accordance with the approved limits and the prudential indicators (PI) set out in the Council's Treasury Management Strategy statement. For more details, see section 63 – 76.
95. From this reporting period to end of this financial year, the Council plan to borrow a total of £193m medium/longer-term fixed rate loans, for refinancing matured loans and to fund planned capital expenditure. These loans should provide some longer-term certainty and stability to the debt portfolio.
96. While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.
97. Yields are expected to remain broadly at current levels over the medium-term, with 5-year, 10-year and 20-year gilt yields expected to average around 3.6%, 3.7%, and 3.9% respectively over the 3-year period to September 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. There will undoubtedly be short-term volatility due to economic and political uncertainty and events.

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Date of report 2nd October 2022

Appendices

Appendix 1 – Economic commentary & Interest Rate Forecast November 2022

Appendix 2 - BoE Monetary Policy Report – November 2022

Background Papers

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

(i) Treasury Management Strategy Statement 2022/23 (Approved by Council, 24 February 2022)

(ii) Arlingclose – Enfield Benchmarking-credit-scores for September 2022

Appendix 1 - Arlingclose's Economic Commentary and Interest Rate Forecast

Economic and Interest Rate Forecast 7th November 2022

- i) UK interest rate expectations have eased following the explosive mini budget, with a growing expectation that UK fiscal policy will now be tightened to restore investor confidence, adding to the pressure on household finances. The peak for UK interest rates will therefore be lower, although the path for interest rates and gilt yields remains highly uncertain.
- ii) Globally, economic growth is slowing as inflation and tighter monetary policy depress activity. Inflation, however, continues to run hot, raising expectations that policymakers, particularly in the US, will err on the side of caution, continue to increase rates and tighten economies into recession.
- iii) The new Chancellor dismantled the mini budget, calming bond markets and broadly removing the premium evident since the first Tory leadership election. Support for retail energy bills will be less generous, causing a lower but more prolonged peak in inflation. This will have ramifications for both growth and inflation expectations.
- iv) The UK economy is already experiencing recessionary conditions, with business activity and household spending falling. Tighter monetary and fiscal policy, alongside high inflation will bear down on household disposable income. The short to medium term outlook for the UK economy is bleak, with the BoE projecting a protracted recession.
- v) Demand for labour remains strong, although there are some signs of easing. The decline in the active workforce
- vi) has fed through into higher wage growth, which could prolong higher inflation. The development of the UK labour market will be a key influence on MPC decisions. It is difficult to see labour market strength remaining given the current economic outlook.
- vii) Global bond yields have steadied somewhat as attention turns towards a possible turning point in US monetary policy. Stubborn US inflation and strong labour markets mean that the Federal Reserve remains hawkish, creating inflationary risks for other central banks breaking ranks.
- viii) However, in a departure from Fed and ECB policy, in November the BoE attempted to explicitly talk down interest rate expectations, underlining the damage current market expectations will do to the UK economy, and the probable resulting inflation undershoot in the medium term. This did not stop the Governor affirming that there will be further rises in Bank Rate.

Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.24	3.40	3.40	3.40	3.40	3.40	3.30	3.30	3.30	3.30	3.30	3.30	3.30
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

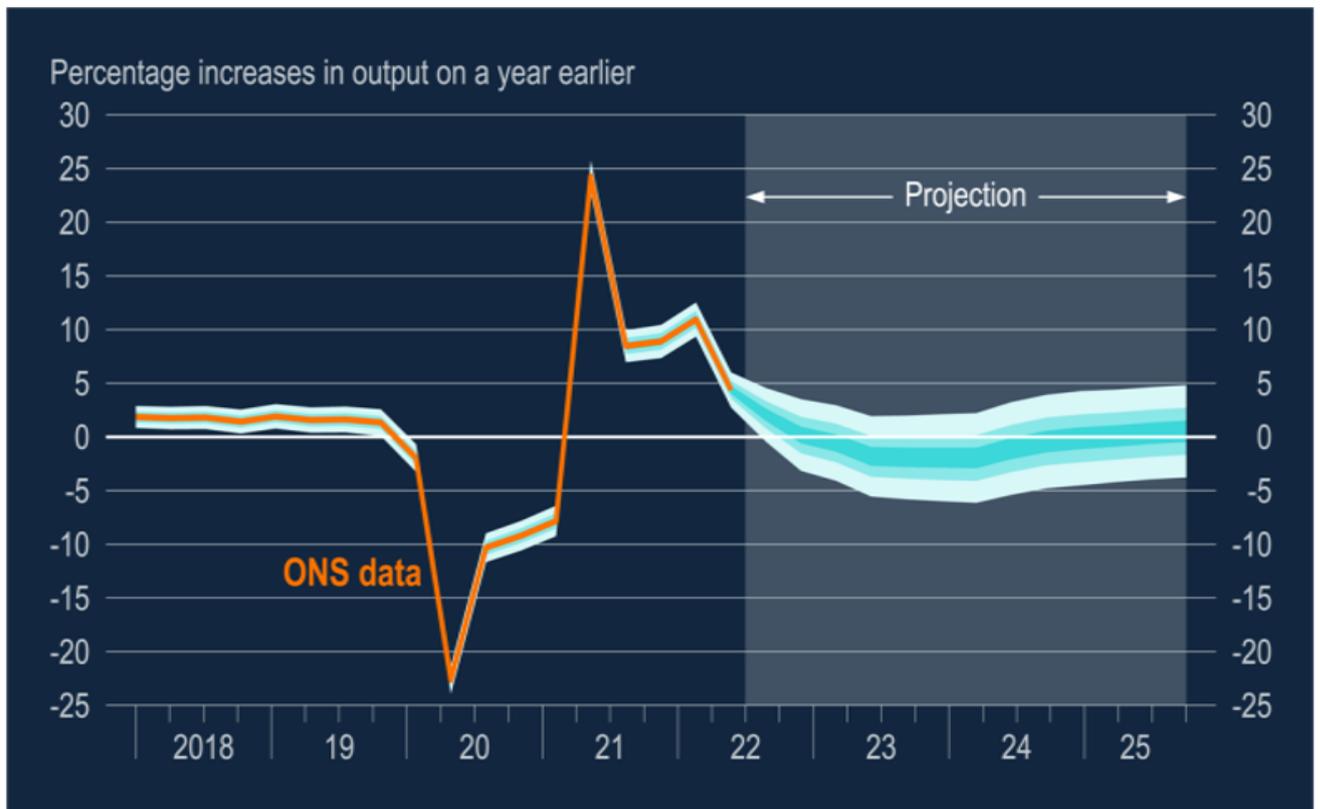
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

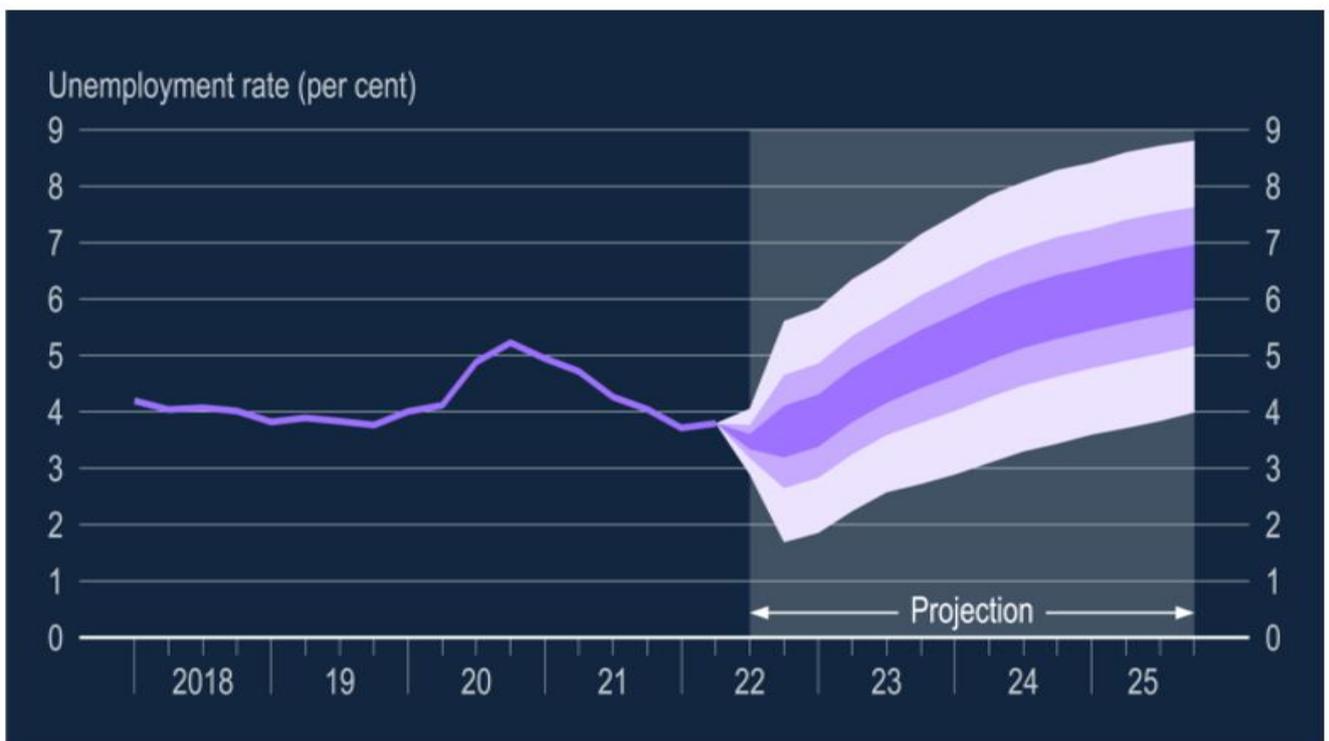
- a) The MPC remains concerned about inflation but sees the path for Bank Rate to be below that priced into markets.
- b) Following the exceptional 75bp rise in November, we believe the MPC will slow the rate of increase at the next few meetings. Arlingclose now expects Bank Rate to peak at 4.25%, with a further 50bp rise in December and smaller rises in 2023.
- c) The UK economy likely entered into recession in Q3, which will continue for some time. Once inflation has fallen from the peak, the MPC will cut Bank Rate.
- d) Arlingclose expects gilt yields to remain broadly steady despite the MPC's attempt to push down on interest rate expectations. Without a weakening in the inflation outlook, investors will price in higher inflation expectations given signs of a softer monetary policy stance.
- e) Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales will maintain yields at a higher level than would otherwise be the case.

Appendix 2 - BoE Monetary Policy Report (November 2022)

1. Outlook for UK GDP growth



2. Outlook for UK Unemployment



3. Outlook for UK CPI inflation



- i) There has been a material tightening in financial conditions, including the elevated path of market interest rates. In addition, high energy prices continue to weigh on spending, despite an assumption of some fiscal support for household energy bills beyond the current six-month period of the Energy Price Guarantee. As a result, the UK economy is expected to remain in recession throughout 2023 and 2024 H1, and GDP is expected to recover only gradually thereafter.
- ii) Although there is judged to be a greater margin of excess demand currently, continued weakness in spending leads to an increasing degree of economic slack emerging from 2023 H1, including a rising unemployment rate.
- iii) Despite a decline in global price pressures and a significant fall in the contribution of household energy prices to CPI inflation, domestic inflationary pressures remain strong over the next year. But an increasing degree of economic slack depresses domestic pressures further out. Conditioned on the elevated path of market interest rates, CPI inflation declines to below the 2% target in the medium term, although the Committee judges that the risks to the inflation projections are skewed to the upside.

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