London Borough of Enfield

Report Title	**Quarterly Revenue Monitoring 2023/24 - Quarter 2**
Report to	Cabinet
Date of Meeting	15 November 2023
Cabinet Member	Cllr Leaver
Executive Director / Director	Fay Hammond – Executive Director, Resources Kevin Bartle – Finance Director, Corporate Finance
Report Author	Steve Muldoon - steve.muldoon@enfield.gov.uk
Ward(s) affected	All
Key Decision Number	Non-key
Classification	Part 1 Public
Reason for exemption	N/A

Purpose of Report

1. The report sets out the Council's revenue forecast position compared to the budget for 2023/24, based on the position at the end of August 2023. It also provides an update on progress against the budgeted savings planned for 2023/24, collection fund performance, the Dedicated Schools Grant forecast and impact on earmarked reserves balances.

Recommendations

2. Cabinet is requested to note the following:

    a. The forecast adverse variance of £27.452m reported in respect of financial year 2023/24, after additional in-year savings and mitigations have been found of £8.461m. This is stated excluding further potential risks of up to £5.512m and £0.650m in opportunities.

b. Progress on savings set in the original 2023/24 budget as laid out in Appendices B and C, with a projected shortfall in delivery in-year of £2.871m

c. The impact of the forecast on the reserves balances as set out in paragraphs 123-129/Table 5 and the consequences this has for longer-term financial resilience

d. The forecast in-year overspend on the Dedicated Schools Grant of £2.623m, leading to a projected cumulative deficit of £17.859m

Background and Options

3. On 23 February 2023, the 2023/24 budget was set by full Council. Savings of £12.782m and income generation plans of £2.974m were agreed for the coming year. In addition to this, £45.956m of growth was included to reflect the demographic, inflationary, investment and capital financing needs of the council.

4. 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 rates income, as well as to a limited extent fees and charges and reserves drawdowns. Note that the agreed original budget included £3m contingency for unforeseen inflationary and demographic pressures.

5. The council, as is the case at many other councils, is in a very challenging financial position for 2023/24. In recent weeks, a number of councils have been reported in the local government press as expressing concerns about their financial position, with one additional council issuing a section 114 notice. It may be viewed now that any impacts that arose during the period of the Covid-19 pandemic have now tailed off or embedded themselves in the ongoing social and economic context, and are now overtaken by the cost of living crisis. This is manifesting as a major pressure on the council in the form of an increased cost of temporary accommodation, elevated levels of cost inflation not matched by government grant levels and ongoing growth in social care demand pressures. There is therefore a significant challenge in the current year to manage and mitigate all of these pressures.

6. The overspend forecast for 2023/24 will need to be funded from reserves to the extent not mitigated. The purpose of risk or smoothing reserves is to support budget management and provide resilience in the event of unforeseen risks, financial pressures and shocks materialising, however the level of reserves (excluding HRA) held by the council will have reduced by circa £77m over the last two years. This is a concern that the council needs to urgently address in the medium term financial plan and permanent recurring savings in service and operating costs, together with increases in income generation and taxation, need to be found in order to safeguard the financial sustainability of the council. Since 2010 core council funding has reduced by £81m, compounded by delays in the fair funding review, while increasing cost pressures have been offset with over £228m of savings, thereby making this an extremely challenging position.

7. This report is set out as follows:

   i. 2023/24 Revenue Forecast – executive summary and overview
   ii. 2023/24 Revenue Forecast – variance commentary by Department
   iii. Collection fund for council tax and business rates
   iv. Update on 2023/24 savings to be delivered
   v. Dedicated schools grant forecast
   vi. Forecast reserve balances

Relevance to Council Plans and Strategies

8. This is a critical report for updating both members and officers on the council's financial resilience, which is one of the five principles in the Council Plan framework.

9. The report may also bring to light how the council has used its limited resources to deliver the Council Plan priorities in the projection through to March 2024. These priorities are:

   a. Clean and green places
   b. Strong, healthy and safe communities
   c. Thriving children and young people
   d. More and better homes
   e. An economy that works for everyone

10. The budget for 2023/24 was set as part of the Medium Term Financial Strategy endorsed by Council in February 2023.

Financial Implications

Executive Summary – 2023/24 Revenue Forecast

11. The financial projection for 2023/24 has been identified as being equally, if not more, challenging than the previous year with the largest area of pressure arising from the continued growth in the cost of supporting households needing temporary accommodation. The overspend reported in the 2022/23 outturn of £21.186m (see item 11 of the Cabinet meeting held on 13 September 2023) included a significant proportion of ongoing pressures, some of which were addressed through growth added into the 2023/24 budget, but some of which continue and are now driving overspends in the current year.

12. Early on it was identified that the pressure from Temporary Accommodation alone was approaching a magnitude of circa £20m. In order to mitigate this, departments were tasked with identifying in-year mitigations and savings, over and above those budgeted for, and the task of not overspending their budgets, i.e. not allowing the situation to deteriorate further. A further measure taken has been for Executive Directors to review all proposed expenditure items in excess of £10,000 as they come forward for approval, in order to prevent any unnecessary significant spend from being committed. Work is ongoing to identify in-year savings opportunities,

undertake “deep dive” reviews into certain areas of council expenditure and assess areas of overspend in order to bring these back under control. In respect of the Temporary Accommodation variance itself, a task force has been set up to work through all the issues and find ways in which to bring down the variance arising by means of action to be taken through the year.

13. However, Temporary Accommodation (TA) is not the only service area which is facing significant pressure in trying to stay within budget. Overall, the forecast overspend for 2023/24 against the base £287m General Fund budget, after the application of £2.717m of reserves, is £27.452m – a £1.633m deterioration from Q1. Of this, the Temporary Accommodation service represents £17.145m, meaning a further net overspend of £10.307m across other parts of the council which in itself is a very significant overspend.

14. An overview of the variances by department is set out below, with further detail set out in **Appendix A**:

Table 1: Summary of 2023/24 Forecast Variances

Department	Net Budget £m	Forecast before use of reserves £m	Variance £m	Specific Reserves £m	Total Forecast Variance £m
People - Adult Social Care	97.935	97.419	(0.516)	(0.637)	(1.153)
People - Public Health	(4.971)	(4.971)	-	(500)	(500)
People – Children’s Services	52.655	56.338	3.683	(0.854)	2.829
People – Education	4.542	4.380	(0.162)	-	(0.162)
Environment & Communities	34.753	36.888	2.135	(0.879)	1.256
Housing	6.687	25.260	18.673	(0.090)	18.583
Resources	29.448	32.475	3.027	(0.855)	2.172
Chief Exec	10.652	10.877	0.225	0.046	0.271
Service Net Costs	**231.701**	**258.766**	**27.065**	**(3.769)**	**23.296**
Corporate Expenses	18.627	18.343	(0.284)	1.052	0.766
National Pay Award and Inflation	4.236	8.411	4.175	0.000	4.175
Capital Financing: Minimum Revenue Provision & Interest	28.585	30.800	2.215	0.000	2.215
Contingency	3.000	0.000	(3.000)	0.000	(3.000)
Bad Debt Provisions	0.791	0.791	0.000	0.000	0.000
Net Expenditure	**286.942**	**317.111**	**30.169**	**(2.717)**	**27.452**
Expenditure financed by:					
Business Rates	(111.567)	(111.567)	0.000	0.000	0.000
Council Tax	(149.144)	(149.144)	0.000	0.000	0.000
Other non-ring-fenced Government Grants	(26.231)	(26.231)	0.000	0.000	0.000
Total Financing	**(286.942)**	**(286.942)**	0.000	0.000	0.000
Budget Funding Shortfall	**-**	**30.169**	**30.169**	**(2.717)**	**27.452**

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

15. The key variances within the above forecast variance are highlighted in Table 2 below, with further commentary set out in the departmental commentaries later within this report. However, the key areas driving the

overspend are Housing (TA) £17.1m, higher pay award than provided for of £3.6m, Looked After Children £2.5m, a technical adjustment to reflect a stricter approach with costs attributed to capital £2.1m and property maintenance £1.3m. The key areas of overspend in the council are therefore significantly driven by higher levels of demographic/demand growth, contract inflation growth and wage growth than was anticipated when the budget was originally set.

16. As indicated above, departments have been focused on trying to identify ways to reduce the overspend in-year, whether through one-off monies or ongoing savings. Appendix A shows a memorandum note of how much has been identified in mitigations or savings in-year and which is embedded in the forecast shown – this therefore demonstrates that without this intervention and action by management the in-year forecast would have been worse by a further £8.461m.

17. It is important to note that, as set out in Appendix A, there is a further £5.512m of risks being flagged by departments which is not included in the above forecast variance. This relates to potential increases in costs or reductions in income which at this stage are not certain to happen, may be subject to decisions yet to be taken or the timing of an event is in doubt. Within this, the People department is recording £4.163m of risk, much of which is due to the forecast being based on its service areas being able to contain future demographic growth within current levels and forecast across the remainder of the year. A further £0.650m of opportunities are also flagged by departments, hence should all of these risks and opportunities materialise, the current forecast overspend of £27.452m would deteriorate by a further £4.862m to an adverse variance to budget of £32.314m.

18. Risk reserves held by the council are consequently reducing rapidly. The position at the end of March 2023 (excluding HRA, Schools, Insurance and General Fund reserves) was a balance of £83.6m, but as a consequence of the projected deficit, in-year mitigations being taken from reserves and planned reductions to smoothing reserves and redundancy reserves, this balance will reduce to £42.1m by March 2024. Should the net risks and opportunities flagged above also materialise, this would further reduce to £37.2m. With further pressure expected in 2024/25 it is clear that significant action needs to be taken to maintain the financial resilience of the council.

19. The Savings Tracker can be found in Appendix B (in overview) and Appendix C (in detail by Department by proposal). Of the overall target of £15.8m, £2.9m has been identified as either deferred to a later year (£2.2m) or unachievable (£0.7m).

20. The table below sets out the key variance drivers and themes affecting the outturn forecast for the year by department:

Table 2: Gross Variance and Key Themes

Department	Gross Variance (£m)	Key Themes
People – Adult Social Care & Public Health	(0.516)	a. Overall ASC (excluding Public Health) is forecasting a net underspend of £1.153m (£0.516m before reserves drawdown) towards wider People department pressures from one-off monies identified. b. ASC underlying overspends of circa £11m are principally from packages of care relating to Customer Pathway. Against budget plan, in care packages some 63% are OP/PD variances and 37% of variances are from LD. c. ASC pressures are offset by increased fees and charges income, improved shared care cost assumptions, grant maximisations, service efficiencies and a reserve drawdown of £0.637m. Some £4m of these offsets are expected to be one-off or reducing in nature and will be kept under review. d. PH is contributing an additional one-off £0.5m towards PH activities across the wider organisation.
People – Children's & Families	3.683	e. £2.5m overspend on Looked After Children, of which External Care Purchasing (£1.9m) is due to increased demand and delays to savings from children's homes; £0.3m on UASC/former UASC f. Disabled Children's service £0.6m overspend on client budgets due to increased demand g. £0.9m drawn from reserves to mitigate overspend
People - Education	(0.162)	h. A minor underspend but with risks relating to SEN staffing cost allocations(£0.867m). i. DSG is expected to overspend in the High Needs area, currently predicted to be £2.623m, leading to a cumulative DSG deficit of £17.859m.
Housing	18.673	j. £17.235m due to TA, of which £13.235m on cost of properties/hotels, HB subsidy loss over by £2.057m, £1.27m bad debt, £1.46m incentives, offset by £1m HSF and £2.2m Homelessness Prevention Grant. k. £1.438m due to NRPF properties where both the number of units and their cost has increased substantially.
Environment & Communities	2.135	l. Leisure, Parks & Culture £0.752 adverse, due to Millfield Complex and income shortfall on leisure centres m. Planning & Growth £1.188m gross adverse variance, £0.411m net after reserves drawn – due to declining planning application income, plus cost of planning appeals
Resources	3.027	n. Digital Services £0.6m overspend, mainly on contracts, Public Sector Network certification plus unachievable savings on CRM

Department	Gross Variance (£m)	Key Themes
		o. Property - £1.478m reactive and servicing R&M, plus £0.250m CCP overspend. p. £0.4m deferred saving on bringing the Bailiff Enforcement team in-house. q. £0.9m drawn from reserves re Financial Assessments team (£0.4m), Property (£0.4m) and Digital Services (£0.1m)
Chief Executive	0.225	r. Legal Service overspend of £0.4m – driven by the volume of caseloads for safeguarding and external fees, and loss of covid funding not fully offset s. Meridian Water is reporting a budgeted shortfall in rental income of £0.174m
Corporate	3.104	t. Pay awards anticipated to exceed provision by £3.6m u. Capital financing impact from MRP and interest £2.2m v. Offset by Corporate Contingency £3m released plus £0.9m lower concessionary fares w. Technical adjustment to reflect a stricter approach to capitalisation of costs £2.1m x. Pressure forecast in energy and business rate for Council buildings
Other points		y. Overall deficit forecast of £27.452m will need to be met from risk reserves, which will reduce to £42.072m z. There are further net risks not in the above forecast deficit of £4.862m, analysed in Appendix A and clarified in each Department’s commentary. This is substantially dependent on the departments’ ability to stem demand pressures. aa. 2023/24 MTFP savings target of £15.8m will fall short by £2.9m

2023/24 Revenue Forecast – Departmental Commentary

People – Departmental Overview

21. The People Department represents a significant proportion of the council's overall service expenditure with an aggregate net budget of some £150m out of the total £232m service budget. It comprises Adult Social Care, Public Health, Children's Social Care and Education.

22. As a whole, the department is projecting a gross overspend of £3.005m, before reserve drawdowns of £1.991m reduce this to a net overspend of £1.014m. In essence this is driven by Children & Families which is forecasting a net overspend of £2.829m, of which Looked After Children represents £2.458m, and the Joint Service for Disabled Children £0.630m. There are further potential risks of circa £1.4m for the directorate.

23. This is then mitigated by underspends currently forecast in the other directorates. Adults are forecasting an underspend of £1.153m after reserve drawdowns of £0.637m. However there is an underlying overspend within Customer Pathway of £0.727m as part of this. Public Health is indicating that it will be able to identify an additional £0.500m to invest in council services that meet the public health outcomes, but this is on a one-off basis. The Education directorate shows a small underspend of £0.162m but there is some risk that this may reverse as further work on cost allocations to the DSG is undertaken.

24. The overspend forecast of £1.014m is stated after identifying in-year mitigations of £3.063m. It should be noted however that a significant proportion of this mitigation is one-off in nature and so will not be available in 2024/25. It should also be noted that there are risks of £4.163m, largely due to the potential for further in-year demographic growth above that recognised in the forecast. The department is basing its forecast on the premise that it will be able to manage and contain demographic growth across the remainder of the year within this forecast, which will be highly challenging but an important contribution towards ensuring that the council's financial position does not deteriorate further.

People – Adult Social Care

25. As part of the medium-term financial planning process last year a gross additional investment was identified for Adult Social Care for 2023/24 of £16.168m consisting of 2022/23 unfunded pressures of £4.373m, care package inflation of £9.515m and Demography of £2.280m. This excludes any pressures from staff pay awards.

26. This additional investment has been funded by increases in the Social Care and other grants, together with an uplift in fees and charges income budgets. Overall, this funded the above pressures to the extent of £13.169m, of which £11.264m was from Government grant increases. In addition to this, the adult social care precept helped close the funding of the above pressures by £2.787m.

27. The directorate outturn is forecast to be £97.288m. This results in an overall favourable gross variance of £0.516m against the budget of £97.804m. Additionally there is a forecast drawdown of Adults reserves of £0.637m, which will be subject to relevant approvals. This gives an overall

favourable net underspend of £1.153m after use of reserves. This also reflects a virement of Community Support budgets into Adults during the year.

28. Though the service position is balanced, the situation is challenging and not without considerable risk but mitigating actions are in place and are under constant review regarding delivery. The additional in-year savings and mitigations to get to this favourable position will be subject to further review and monitoring. The underlying overspend in the directorate is estimated to be in the region of £11m. This has been offset in the forecast by an over-delivery on fees and charges income, improved assumptions on the allocation of shared care costs with health partners and an increase in grant income from various sources. The majority of these offsets are considered to be ongoing in nature, however up to £4m of this is one-off in 2023/24 or will reduce in 2024/25. These will be kept under review as the medium term financial planning process progresses to ensure that the anticipated impact on the council is up to date, fully understood and factored into future projections. The commentaries by service area below and the analysis in Appendix A focus on the net position and variances after these offsets.

29. The full year effect of new packages approved in 2022/23 (where new clients have come in part way through that year) is estimated at circa £4.1m but further work and review is needed to finalise the extent of the impact and where within the directorate this impact will be felt.

30. Customer Pathway (OP/PD and related internal care home and day care units) is showing a £0.089m overspend. This includes pressures for full year effects of last year's care packages, as well as specific plans to help meet the in-year saving targets. The overspend is after considerable management actions and mitigations and including a drawdown of £0.637m from reserves, with an underlying operational overspend of £0.726m. The forecast risks include the assumption that the service, through management actions, can manage any upward trend of in year demand for services. Joint package costs with health partners also pose a risk to ensure full reimbursement of health costs.

31. LD is showing an underspend of £0.243m reflecting a number of savings plans both specific and cross cutting. There is an underlying risk in LD that further family breakdowns occur in year or that mitigations are not possible and so the forecast could rise. Included in such risks is the possibility that income levels from health partners are curtailed outside the authority's control and rigorous engagement is ongoing in all assessments and panels to ensure full recovery of health costs which should be free at the point of use to clients.

32. Mental Health is reflecting an underspend of £0.216m in the full year. Underlying this is a small underspend of £0.051m on operational budgets, with the balance of the underspend arising from a number of savings plans and actions to be delivered in year. A key issue, and thus a risk, will be how much joint income will result from panels with the ICB for health costs.

33. Strategy and Resources includes commissioning, care equipment and related services, Transport and a portfolio of key contracts with the VCS sector which save and restrain spend and help manage demand on the front door. This service is reporting a £0.594m underspend due to specific

and general management actions and savings in year including £0.500m from use of a grant balance remaining.

34. Supporting People is projecting an underspend of £0.189m, similar to last year. This is due to additional unbudgeted income from partner organisations.

35. Adult Social Care has a savings programme of £4.955m this year. This is comprised of the original savings programme in the 2023/24 budget of £3.689m and additional to this the service is making a further contribution of £1.266m towards mitigating council pressures in-year. All but one item are on target or have alternative delivery. The only item currently anticipated as not on target relates to the Reardon Court extra care unit, where the ongoing building work will not complete in time to achieve savings this year, meaning the saving of £0.113m will be deferred. The full revenue saving from this new facility is projected to be £0.490m and the profile of savings delivery will therefore be recalculated.

36. The service overall presents a position which both balances and mitigates any in-year pressures, while also allowing for and contributing to the wider council requirement for in-year savings. These additional savings are derived from a combination of increased fees and charges, spend to save activity (e.g. nursing at Bridgewood) and capital/NCIL items that are still subject to review and deliverability.

37. There are a number of unquantified risks to be mindful of. Firstly, whether all of the savings, mitigations and management actions will be delivered to time and scale in order to deliver the projected outturn; there is always a risk that the trend in demand growth for care packages during the year varies from that built into forecasts; thirdly, the assumptions of any income / expenditure allocations between the council and third parties on joint work and packages may prove difficult to deliver to the anticipated levels. These risks are all difficult to quantify at this stage and so officers will monitor performance through the year to assess whether conditions are changing. The level of net risk against delivery of balance this year is estimated at £1.916m.

People – Public Health

38. The service is projecting a balanced position with respect to ring-fenced grant activity. Any ‘unders’ and ‘overs’ in the position are adjusted for as required by top-ups to or drawdowns from the ringfenced PH reserve. An additional £0.500m has been identified to invest in Council services that contribute towards Public Health outcomes, over and above £0.575m already reflected in budget through the MTFP process for 2023/24. This results in a total PH investment of £6.056m (£5.556m+£0.500m) for the year in public health activity in other service areas and directorates across the council.

39. The underlying operating forecast before reserve top-up indicates a balance to budget. This arises from an underspend on 0–19-year-olds of £0.337m (before any impact from Agenda for Change) and offset by an overspend of £0.297m from the main Core Services and Leadership and in commissioned services which includes Substance Misuse of £0.040. There

are several lease related issues in this area identified as a potential draw upon the reserve and a further substantial demand from the prior landlord; however it is not considered that LBE is liable for this demand of over £0.500m and so is excluded from both the forecast and risks.

40. The team also supports and delivers the activity for additional grants coming into Enfield of circa £1.000m and is actively bidding for further funding. These are all specific and fully-funded. The team also runs the supplementary grant for substance misuse and a rough sleepers grant. These are very focused grants with clear rules on spend and will not affect or contribute to the forecast (for example the supplementary grant for substance misuse is provided on the basis that we do not disinvest in treatment services using 2021 spend as benchmark). All grants are being reviewed for any savings or contributions to overheads and other costs where possible.

41. The Data and Intelligence Team is also managed in Public Health and is funded by the General Fund rather than any grants. It is currently underspending in the year to date due to a need to recruit to vacant posts, but may need to rely on agency staff and additional staff training to meet statutory requirements and so is currently forecast on budget at £0.585m.

42. The Agenda for Change impact will begin to be felt in this financial year as the cost impact from pay settlements in the NHS start to feed through into contracts and shared arrangements. Any adverse impacts from this will initially need to be managed through the use of the PH reserve. From 2024/25 the public health grant will have to absorb the full impact of inflation from this, despite it being expected to only go up by an indicative 1.3% next year. It is difficult to anticipate what the impact will be but with inflation currently remaining high and some NHS pay increases still to be agreed this poses a significant future risk. The estimated impact based on current rates (pending settlement and a new grade for nursing and possibly doctors) could be £0.5m - £0.6m per annum, from 2024/25. This could rapidly use up current reserves within the next 5-year planning cycle despite reserves being key to absorb variations and any unforeseen issues.

People - Children’s Social Care

43. The Children and Family Services division forecast outturn is £55.484m and an overspend of £2.829m with the two largest variances being in external care purchasing for Looked After Children (£1.938m) and Joint Services for Disabled Children (£0.487m), both demand-led services. The position is exacerbated by deferred savings of £0.760m.

44. The **Children in Need** service is projecting an overspend of £0.085m mainly due to a vacancy factor of £0.256m in the Child Protection & Vulnerable Children service, which has largely been met.

45. The service continues to experience ongoing recruitment difficulties, and a high number of vacancies are filled by agency staff, particularly in the child protection teams. Agency staff will be replaced by recruiting through a bespoke microsite built by Sanctuary for Enfield. The cost of the recruitment

through Sanctuary is less than the additional costs of recruiting an agency worker for a year.

46. The **Looked After Children** service is projecting an overspend of £2.458m against a net budget of £30.071m with the biggest cost pressure being in external care purchasing. The service includes external care placements, leaving care and UASC (unaccompanied asylum-seeking children), reporting an overspend outlined below. The remaining £0.005m pressure comes from minor variances in other cost centres within the LAC service. The drivers of the issues and variances are as follows:

47. The budget for external care purchasing is projected to be overspent by £1.938m due to a higher than anticipated increase in demand, including several large sibling groups. Deferred savings, due to unexpected delays in sourcing suitable properties for the two in-house children's homes, has put pressure on this year's budget.

48. The agency fostering budget is experiencing higher demand and increased unit costs.

49. Similarly, the residential care budget is under pressure due to increased numbers of looked after children and complexity of needs. At the same time, average rates for new placements have increased by 25% due to market factors and a continued lack of supply.

50. Recruitment and retention of in-house foster carers continues to be a challenge. In addition, many children must be placed in residential care due to foster placements breakdown. An invest to save proposal is being developed to provide a wraparound support service for foster carers to prevent placement breakdown which includes early intervention through to intensive support.

51. Some anticipated moves into semi-independent accommodation have not taken place as soon as expected due to the needs of young people. The progress that children in care make is tracked and reviewed through a weekly placement panel.

52. There is an increased cost of mother and baby assessment placements due to the court now requesting siblings and fathers to join the residential assessments, which significantly increases the cost per assessment.

53. There is increased demand for secure welfare placements and for high-cost residential placements when stepping down from secure welfare.

54. Since the last report, the forecast for care purchasing has increased by £0.407m due to a significant increase in demand for residential, fostering and semi-independent placements. The reporting method has changed since Period 3, where reported variance included both current portfolio and estimated in-year growth. For this report, the net variance of £1.938m considers only the current client portfolio, assuming that the service will be able to manage and contain any further growth. In-year growth is therefore flagged up as risk of £1.085m and excluded from the reported variance.

55. The service undertakes regular reviews of the packages to ensure stepping down when appropriate.

56. Leaving Care is projected to overspend by £0.185m due to a combination of increased numbers and higher client costs. Housing benefit offsets the costs for most clients over 18, although some clients with more complex needs are not claiming the benefits they are entitled to. A monthly care leavers panel is in place to track and review support offered to care leavers including actions to help them access all their entitlements.

57. Stepping Stones provision for nine care leavers has been delayed due to the difficulties in sourcing suitable properties. The extension of the contract for semi-independent provision attracted a rate uplift, causing further pressure.

58. It is taking longer for care leavers who are bidding to be offered a tenancy due to housing shortages. Reviews are being undertaken via the leaving care panel and individually with the social work teams to ensure speedy transition to permanent tenancy.

59. UASC & former UASC budget is projected with an overspend of £0.330m. Of this, £0.170m is due to a realignment of budget last year to create a number of posts to deal with high caseloads and the anticipated increase in demand. Due to pressures in housing, it is taking longer for those eligible care leavers who were former UASCs to be offered their permanent tenancy, and a review of packages now projects an overspend of £0.160m.

60. **Young People and Community Safety** is reporting an underspend of £0.190m due to identified in-year saving opportunities to offset escalating pressures in other services.

61. **Joint Services for Disabled Children** is reporting an overspend of £0.630m with a £0.487m overspend in the client budget due to a significant increase in demand above estimated levels. This increase stems from existing and new clients as a result of the economic climate, an increased awareness of the service provision, and changes to eligibility criteria in light of case law being established. The reported variance of £0.487m considers existing clients' cost and therefore implies that any further pressure on the budget from new clients can be managed and contained within this forecast. Should this not be feasible, in-year growth of an estimated £0.295m could results, which is flagged up as risk only.

62. The service is also experiencing an unusually high number of children requiring expensive care packages, ten packages with an estimated cost of £0.746m, whilst the average over the last three years was only three cases per annum. However, this support has prevented children coming into local authority care and putting further pressure on the external care purchasing budget.

63. In addition, the staffing budget is £0.143m overspent due to a vacancy factor.

64. In addition to savings identified in Young People and Community Safety, an opportunity for one-off savings has been identified in several cost centres within **other services**, bringing these back to a broadly breakeven position in the process.

65. The situation is challenging and not without considerable risks and work to be achieved in delivery.

66. Robust processes are in place to regularly review packages of support to children in care, care leavers and disabled children. However, some children require very high levels of care to remain safely at home or prevent placement breakdown. In addition to the risk outlined in Appendix A, there might be further increase in cost for existing care packages if scheduled stepping down does not go ahead in-line with the current care plans or there is an escalation of need.

67. To deal with in-year pressures the division has put forward several one-off saving proposals amounting to £0.590m, based on utilising the reserves in community safety to fund eligible expenditure and available grant funding from the DfE to off-set arising pressures in line with the relevant grant's terms and conditions.

68. In addition, the capital programme for extensions to foster carers homes will be removed and save £0.033m on financing costs in 2023/24. The improvement to the MTFP in the longer term is greater, due to the removal of the assumed annual spend on this.

People - Education

69. Overall, the General Fund Education service is projecting an underspend of £0.162m. There are various small underspends and overspends across a number of areas, but the variance mainly stems from the expectation of the Governor Support service exceeding their income target by £0.069m (similar to last year) and Career Work Experience projecting a underspend against the budget of £0.074m.

70. There is also a risk in SEN staffing which is overspending by approximately £0.867m but currently assumed to be funded by the DSG. This is to be reviewed in due course.

Environment & Communities

71. The overall E&C variance to budget is £1.256m adverse – the main reasons for the variances are as follows:

72. The Environment & Street Scene directorate is reporting an adverse variance of £0.393m. This is due to a number of factors as follows:

Street Lighting energy costs are higher than budget by £243k as the actual procurement cost came in higher than the assumed budget uplift in the 2023/24 MTFP.

Waste Operation budget pressures of £0.931m, due to increased demand and the effect of behavioural changes following Covid – through various mitigating actions this has been revised down to £0.553m.

There is a Fleet budget pressure of £175k, which is mainly due to delays in the replacement programme, i.e., ageing vehicles requiring increased repairs and maintenance.

These pressures are mitigated by favourable variances through the NLWA commercial waste disposal rebate £0.100m and an underspend in regulatory services of £0.500m, bringing the net overspend for the division down to £0.393m.

73. The Planning and Growth directorate is reporting an adverse variance of £0.411m, which is due to declining planning applications adding up to circa £0.291m, an in-year budget pressure of £0.235m related to planning appeals and decisions, offset by an in-year favourable variance in the Town Centre team of £0.115m.

74. The Leisure, Parks & Culture directorate is reporting an adverse variance of £0.752m, mainly made up of Millfield Complex unbudgeted cost pressure. The Millfield pressure of £0.504m is the estimated full year cost; the service is currently working with Property Services to go to market/lease to control/reduce the cost pressure. There is also a reported pressure of £0.444m relating to a shortfall in leisure centre income.

75. The Customer & Communications directorate is projecting a favourable variance of £0.220m from across the division, which is made of £0.140m operational under spend and £0.100m efficiency from freezing recruitment of vacant posts in the Customer Operations Services. There is a further favourable variance of £0.080m in the Libraries & Customer Experience Services, which is related to vacant posts and operational efficiencies and other minor variances.

    Note: there is an overspend in the out of hours contract for the call centre at £0.140m, the external supplier contract cost is significantly over the budget allocated, although mitigating actions within the division have absorbed the overspend entirely. Exiting the contract early would entail significant legal and financial implications and therefore the contract remains in place until 2025 despite more cost-effective alternatives to delivering the service being available.

76. Risks of circa £0.654m are reflected by the department covering SEN/Home to School Transport. Transport actual costs and the forecasts are proving to be a lot higher than normally anticipated. Hence, the service is conducting further detailed analysis to ensure the accuracy of the actuals and forecasts and provide challenges and seek mitigations where possible.

77. 83% of the total E&C directorate's saving/income target (£3.160m) set for 2023/24 is classified as deliverable (£2.627m), while 12% (£0.398m) is deferred due to the time it has taken to implement the restructures and issue redundancy notices. Based on early market engagement indications, 50% of the Waste Enforcement Contract Optimisation saving is classified as unachievable (£0.135m) – the actual outcome will be reported once the procurement exercise is concluded.

78. The E&C contribution identified towards the in-year saving target is included in the reported forecast, at £4.636m. However, these savings/mitigations are only contributing towards reducing the existing departmental budget pressures.

Housing

79. The overall Housing Advisory Service variance to budget is £18.583m adverse after £0.090m drawdown of reserves, split between Temporary Accommodation (£17.145m) and NRPF (£1.438m) with the main reasons for the variance as follows:

80. The Temporary Accommodation (TA) service is forecasting an overspend of £17.145m, which is predominantly caused by a rise in the number of households becoming homeless due to the cost of living crisis, a lack of available temporary accommodation at affordable rates and hence a sustained reliance on expensive hotel accommodation. The net property overspend alone is currently projected to be £13.235m in TA (with a further property overspend of £1.438m for NRPF). Related to this there is also likely to be a housing benefit subsidy overspend of £2.057m, a bad debt provision of £1.27m above budget, an overspend in incentive payments of £1.46m, an overspend on nomination fees of £0.656m, a shortfall in the HGL SLA of £0.8m, various other small differences totalling £0.486m and an additional £0.381m in running costs. Additional income is forecast through a £1m Household Support Fund award and a further £2.2m of Homelessness Prevention Grant. The £1m HSF was awarded to partly offset the increase in incentive payments through Out of Borough procurement. Mitigations continue to be worked upon with the aim of reducing and eliminating reliance on hotels and other expensive block booked accommodation hence reducing the projected overspend in the coming months.

81. All of the total Housing saving/income target (£0.320m) set for 2023/24 is classified as deliverable.

Resources

82. Since the Q1 budget monitoring report, the Property Service has transferred from the former HRD department into Resources. There is now an overall reported overspend of £2.172m in the Resources department which consists of the following variances:

83. In Digital Services a net overspend of £0.484m is reported (P3: £0.303m), which relates to Digital Service contracts costs. The overarching pressure within Digital Services is £1.8m. This is substantially due to unachievable MTFP savings of £0.675m relating to CRM/CMS as well as £0.150m re the new Civica contract. Additional budget pressures are due to the migration and implementation of new software £0.593m, £0.107m of contract inflation and £0.181m of urgent remedial work as part of the Public Sector Network certification. Other residual overspends are also inflation driven such as bulk print and postage costs and dual running cost of projects such as the Civica CX Housing project. These are being mitigated by holding vacancies and undertaking contract reviews to identify cost savings.

84. The Property directorate is reporting an estimated overspend of £1.350m, which is primarily due to reactive and servicing works (R&M) £1.250m and £0.250m Corporate Condition Programme (CCP), mitigated by various CMFM operational and staffing under spends of £0.150m. All budget pressures are managed by underspends elsewhere leading to a neutral forecast position except for R&M and CCP revenue.

The service is working with EMT on mitigations to reduce/control the impact of the R&M pressure on the budgets and is preparing for a deep dive and EMT presentation in due course. The primary way to reduce this budget in the long term will be to close operational buildings.

A potential cost risk of £0.295m has been reflected in respect of fees which will be incurred on the property asset disposal programme and represents work on those projects/properties which may not be able to be capitalised or funded through flexible capital receipts. The directorate has offered to wind up the Salix Recycling fund/reserve, which has released a £0.417m surplus fund to the general fund.

Enfield and DWS have agreed to park a rent dispute (£221k per annum), whilst the redevelopment of the shopping centre is considered. The outcome of the rent dispute is anticipated to be clear by the year end.

85. There is also an adverse variance of £0.422m within the Income Collection Team in respect of a saving planned to bring the Bailiff Enforcement team in-house (covering council tax, business rates and parking), which is likely to be deferred to 2024/25 due to delays in implementation.

86. There are other remaining overspends such as agency staff covering substantive roles however these have been absorbed by holding vacant posts as well as additional income generation giving an overall remaining net saving of £0.084m across the department.

87. Within Exchequer Services, a review of historical duplicate payments is to be undertaken, which based on the previous financial year realised c£0.2m-£0.3m of recovered duplicate payments. An opportunity of £0.2m is flagged at this stage but not forecast.

88. In Digital Services, a risk of £0.4m is shown, this reflects dual running and risks in delivering savings on contracts.

89. Regarding the 2023/24 MTFP savings target, £0.4m relating to the CRM project (along with £0.4m from the prior year) is no longer deemed to be achievable. The £0.150m saving relating to the Civica contract is deferred into 2024/25 - the originally planned saving will instead be delivered through an alternative means on SIM contracts. The £0.300m saving relating to the bringing the Bailiff Enforcement team in-house has been delayed, as has £0.065m relating to the Digital staff restructure.

90. The Resources Directorate management team are working with services in the identification and delivery of the in-year savings target as well as mitigating in year budget pressures being reported with a number of meetings scheduled over the coming weeks.

Chief Executive

91. There is an overall reported overspend of £0.271m which consists of the following variances:

92. Within Law and Governance, which is showing a net £0.246m overspend, Legal Services is projecting an overspend of £0.351m. In the prior year, the service received Covid funding of £0.450m to provide the necessary funds for increases in staffing and external legal costs of barristers and court fees due to higher case volumes. In 2023/24 the budget has been increased by

£0.300m as this funding has now ceased, this is however a reduction in funding on the prior year of £0.150m. Of the current predicted overspend, £0.250m is due to managing the volume of caseloads for safeguarding, external legal spend and court fees. There is also a pressure on the income budget (£0.100m) with a shortfall predicted on S106 and 3rd party development agreements due to a reduction in the number of major planning applications. This is in part because of changes introduced by the second staircase rule, plus viability issues with affordable housing, meaning schemes are having to be redesigned, delaying applications, and an increase in planning appeals.

93. In Electoral Services an overspend of £0.121m is reported. There are increased costs in postage & printing in carrying out statutory electoral functions due to a variety of factors such as inflation, biannual increases in Royal Mail's postal rates and increases in the volume of mailouts due to the growth in the borough's population.

94. Meridian Water P5 forecast is shown with a £0.174m adverse variance, which is due to rental income shortfalls.

95. Other net underspends of £0.270m are due mainly to holding vacant posts and a reduction on other planned activity having reviewed the internal audit plan and corporate training budget for the year ahead. Although there have been timing delays in the delivery of MTFP savings associated with the Placements & Apprenticeship Team (£0.052m) these have been offset by additional schools traded income being projected.

96. Progress has been made to identify in-year savings to contribute to the council-wide effort to find in-year savings. Proposals to date include Corporate Strategy Team (£0.070m), HR & OD (£0.104m), and Law & Governance (£0.076m). Meridian Water in-year savings of £0.193m previously anticipated in Period 3 are now deemed unlikely to be deliverable. Work is ongoing to mitigate the budget pressures reported in 2023/24 and further updates will be provided once complete.

Corporate Items

97. There is an overall reported overspend of £4.156m which consists of the following variances:

98. Whilst the 2023/24 final pay award is still being negotiated, the potential impact has been estimated and it is likely to exceed the 4% increase built into the MTFP for 2023/24 creating an adverse variance of circa £3.6m.

99. The Business rates for Council assets is forecast to be circa £0.4m greater than the £2.8m budget, whilst energy across the Councils' assets is forecast to be a £0.3m overspend.

100. 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.

101. Revenue Capital Financing charges are made up of two elements – (i) interest that is not capitalised and (ii) repaying a proportion of debt every year (Minimum Revenue Provision). The total capital financing charge is

expected to be £2.2m above the ongoing revenue budget £28.6m. This is broadly in line with the February 2023 Cabinet Budget papers which showed that there was an expected £2.3m (at 70% delivery) to £3.8m (at 100% delivery) drawdown from smoothing reserves to cover 2023/24 capital financing charges.

102. A technical adjustment is being made whereby there will be a stricter approach to costs being attributed to capital which will lead to an adverse variance to budget of £2.1m.

103. A favourable variance of £0.9m is forecast for the Concessionary Travel charges paid to London Councils and Transport for London (TfL). This reflects passenger numbers but is expected to increase as passenger number increase post-covid and latest forecasts indicate that growth will be required for next couple of years.

104. Other minor variances total circa £0.3m favourable and include the corporate levies and the joint Coroners service, whilst the corporate contingency, set at £3m, will be used to mitigate against the variances noted above.

105. Due to a number of corporate debt write offs there is a risk that there may be a pressure on the sundry bad debt provision (BDP) budget dependent on collection rates. It is too soon to quantify this and a further update will be provided in the P8 report.

Collection Fund

106. The forecast below in Table 3 below shows a total Collection Fund surplus at the end of 2023/24 of £5.2m. Enfield's share of the surplus is £1.3m. The forecasts are based on a number of assumptions which can vary significantly throughout the year.

107. It should be noted that the eventual surplus or deficit at the year-end does not affect the 2023/24 General Fund revenue outturn and will be accounted for as part of future years' revenue budgets.

Table 3: Collection Fund Forecast Outturn Summary

	Council Tax (£m)	Business Rates (£m)	Total (£m)
Collection Fund (Surplus)/Deficit B/fwd. 1 April 2023	**(4.055)**	**8.083**	**4.028**
Surplus distributed/ deficit recovered (income) re 2022/23 forecast surplus/deficit*	2.842	(10.520)	**(7.678)**
In year collection fund forecast (surplus)/deficit	1.804	(3.357)	**(1.553)**
Forecast (Surplus)/Deficit Outturn 31 March 2024	**0.591**	**(5.794)**	**(5.203)**
Allocation of Collection Fund Forecast Outturn Balance			
London Borough of Enfield	0.460	(1.738)	(1.278)
Greater London Authority	0.131	(2.144)	(2.013)
Central Government	0.000	(1.912)	(1.912)
Total Allocations	**0.591**	**(5.794)**	**(5.203)**

Council Tax and Business Rates Collection Performance

108. It is still too early to know the likely impact of the current economic climate on the collection of council tax and business rates.

109. The net collection for **Council Tax** at the end of August 2023 was 45.1% of the £195.339m total Council Tax income. This is 1.1% above the target set and 0.06% down against the same point in 2022/23, when the total Council Tax income was £182.401m. The full in-year collection target is 92%.

110. The net collection for **Business Rates** at the end of August 2023 was 42.7% of the £122.739m total Business Rates income. This is 2.2% above the target and is an improvement on last year when it was at 41.9% of the £115.079m total Business Rates income. The full in year collection target is 93%.

111. Tables detailing the Council Tax and Business Rates performance are included in **Appendix D**.

Achievement of Savings (Appendix B and Appendix C)

112. 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

113. In the budget for 2023/24, the council set itself a target of delivering £15.756m of savings and income growth in order to close the budget gap and deliver a balanced budget. The savings include those that are new for 2023/24 (£14.218m) plus the full year effect of previous decisions (£1.538m).

114. Of these, £12.9m are considered to be fully deliverable or on track for delivery at this stage.

115. However, £2.2m and £0.7m are expected to be deferred to a later year or will not be delivered at all. These shortfalls will impact on the outturn and are reflected in the forecasts for each department. Departments are working on mitigating actions to bring delivery back on track, or to offset these alongside any other pressures in their services with alternative savings. Where any savings are no longer deemed to be deliverable or are impacted by delays, then any shortfalls and rephasing of delivery and values will be reflected in the MTFP update for 2024/25.

116. Further details for each department are summarised in the tables in Appendix B and Appendix C.

Dedicated Schools Grant (DSG)

117. The DSG is showing a projected overspend of £2.623m. The table below sets out how this then impacts the DSG reserve brought forward:

Table 4 – DSG Reserve movement

DSG Reserve	£m
B/fwd 22/23 DSG reserve overspend	15.236
P3 Forecast	2.623
C/Fwd Projected 23/24 DSG overspend	**17.859**

The in-year forecast overspend is mainly due to the below:

118. For SEN Services, there are overspends in Speech Therapy and peripatetic services, in placement/top up costs and a contingency of circa £1m has been assumed in this area to reflect the expected increases in fees and charges currently forecast at 7%. The expected outturn figure is £1.548m.

119. The contingency is being provided at this stage in light of an assessment of the caseloads currently recorded and due to end while information on new starters and transfers from September is yet to be clarified.

120. The Parenting Support Service, which forms part of the costs borne by the DSG, is projected to overspend by £0.242m. This overspend will be looked at in more detail to understand the drivers of this and what mitigating action can be undertaken to address it.

121. SEN staffing overspend in the General fund will be transferred to the DSG, the current projection is £0.867m.

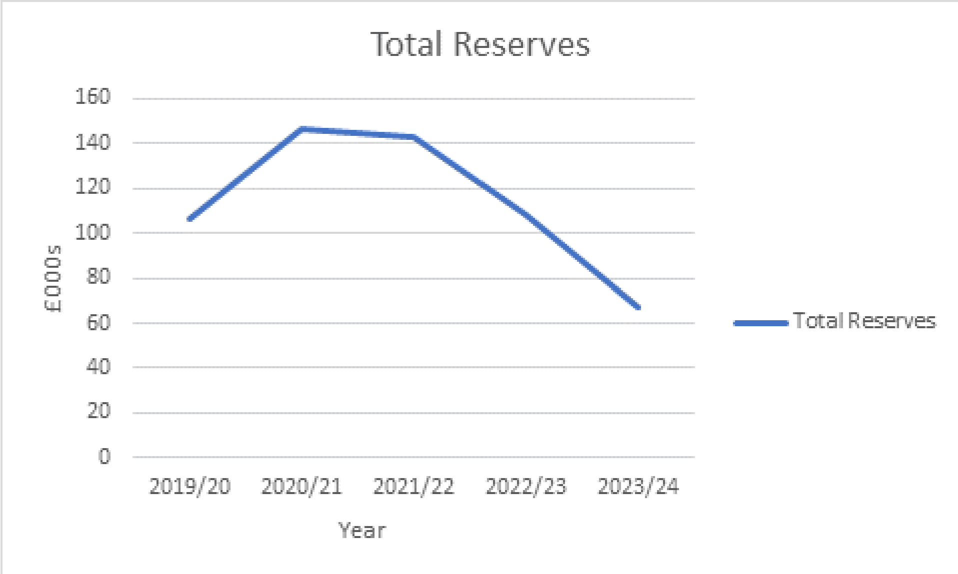
122. The London Mayor has recently announced that grant funding will be made available during the 2023/24 academic year for the provision of universal free school meals for all primary school children in state-funded schools in London who do not currently qualify for Government-funded free school meals. Some £5.5m in funding is scheduled to be received for Enfield schools. This funding will be passported through the council and on to schools, with funding coming to the council in 3 tranches through the year.

Earmarked Reserves

123. The table below summarises the final balances for 2022/23 and the forecast outturn position for 2023/24, followed by a chart which shows how the overall reserve total (excluding HRA and Schools) has changed over recent years:

Table 5 – Forecast Reserves balances

	2022/23 Outturn Balance £m	**2023/24 Forecast Balance £m**
Risk Reserve	**(3.440)**	**(5.778)**
Balance Sheet Management	(2.295)	(1.295)
Collection Fund Pooling Reserve	(2.059)	(2.005)
Collection Fund Equalisation Reserve	(13.628)	(13.628)
Housing Benefit Smoothing Reserve	0.726	(4.240)
Adult Social Care Smoothing Reserve	(3.697)	0.000
NLWA Reserve	(0.514)	(1.566)
Meridian Water Reserve	(1.297)	(1.297)
MTFP Smoothing Reserves	**(22.764)**	**(24.031)**
Capital Financing	(23.428)	(23.428)
Service Specific	(13.757)	(7.622)
Property	(0.925)	(0.436)
Grants & Other Contributions	(19.274)	(8.229)
Sub-total	**(83.588)**	**(69.524)**
Potential Risk Reserve Drawdown	-	27.452
Sub-total of all GF risk reserves	**(83.588)**	**(42.072)**
Insurance	(7.513)	(7.263)
General Fund Balance	(13.949)	(13.949)
Total GF Earmarked Reserves & Balances (excl. HRA & Schools)	**(105.050)**	**(63.284)**



124. It is important to recognise that the reserves overall are limited, especially against a backdrop of challenging savings targets, the challenges brought about through the cost of living crisis, inflationary pressures and long term impact of the pandemic.

125. Whilst the risk reserve had been strengthened in the two years prior to 2022/23, this trend reversed significantly in last year's outturn. A review of all earmarked reserves is currently underway and where balances are available it is proposed to transfer these to the risk reserve. This is reflected in the table above. However, given the adverse forecast outturn of £27.452m the risk reserve balance will be insufficient, thus this will require further reductions in other reserves.

126. It is worth noting that there is no longer a specific Covid-19 reserve. The balance was transferred to the risk reserve at the end of 2022/23. This reflects the corporate approach to returning to business as usual and any legacy impact of the pandemic will be managed just like any other pressure.

127. The General Fund balance remains at £14m (on a net budget of £287m, i.e. 4.9%). 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. It had been anticipated that the Council would increase the GF balance to £14.5m with a £0.5m transfer from the risk reserve. Given the current level of pressure and risk, this transfer is now not planned until the Council is in a more secure financial position.

128. The £20.5m of Smoothing Reserves relate to Council Tax (£146m), Business Rates (£110m), Housing Benefits (£212m claim per year), Adult Social Care, Meridian Water and the North London Waste Authority levy and provide resilience in the budget to manage annual fluctuations.

129. The £23.4m of Capital and Minimum Revenue Provision reserves were originally planned to smooth any increased budget requirement in a planned way over five years as reported in the Treasury Management Strategy. However, given the reduced level of reserves in total, this approach has been revised.

Conclusion

130. The wider effects of the cost of living crisis and economic conditions relating to inflation and interest rate rises are having a very real and immediate effect on the Council, and services are being placed under high and increasing pressures from demand for care related services. The in-year pressure and anticipated increase in the budget gap in 2024/25 mean that the Council needs to challenge everything it spends money on to find savings and efficiencies, but may also mean needing to stop services which cost money but are not a statutory requirement. Some difficult decisions are highly likely to be needed and only spend which is absolutely necessary should be incurred.

131. Reserves are sufficient to cover these pressures in the current year, possibly also through 2024/25, but given the size of the challenge they will not last through the MTFP period if the pressures cannot be contained and mitigated and savings found on top of this.

Legal Implications

132. 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.

Other Implications

133. There are no other implications relevant in the context of this report.

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Appendices

Appendix A: Breakdown of Departmental Variances

Appendix B: Achievement of Savings

Appendix C: Savings & Income Monitor

Appendix D: Collection Fund

Background Papers

The following papers have been relied upon in the preparation of this report:

- Budget report 2023/24 and Medium Term Financial Plan 2023/24 to 2027/28

LB ENFIELD **APPENDIX A**

General Fund Revenue Monitor 2023/24

Period 5 Forecast

Directorate	Current Budget £'000	Forecast Outturn £'000	Gross Variance £'000	Specific Reserves £'000	Full Year Net Variance £'000	Memo: Mitigations and new savings incl. £'000	Risks £'000	Opportunities £'000
PEOPLE (ADULTS)								
Customer Pathway	48,710	49,437	727	(637)	90	(637)	970	
Learning Disabilities	31,134	30,890	(244)		(244)	(249)	741	
Mental Health	7,951	7,735	(216)		(216)	(220)	110	
Strategy & Resources	7,698	7,104	(594)		(594)	(605)	95	
Supporting People	2,709	2,520	(189)		(189)	(192)		
Director	(267)	(267)	-		-			
PEOPLE (PUBLIC HEALTH)								
PH Grant	(5,556)	(5,556)	-	(500)	(500)	(500)		
Data and Intelligence	585	585	-		-			
People (Adults and Public Health) Total	**92,964**	**92,448**	**(516)**	**(1,137)**	**(1,653)**	**(2,403)**	**1,916**	**-**
PEOPLE (CHILDREN & FAMILIES)								
Children in Need	9,723	9,808	85		85			
Looked After Children	30,074	32,532	2,458		2,458		1,085	
Young People and Community Safety	3,167	3,572	405	(595)	(190)	(190)		
Joint Service for Disabled Children	5,129	5,759	630		630		295	
Other Services	4,562	4,667	105	(259)	(154)	(350)		**(150)**
People (Children) Total	**52,655**	**56,338**	**3,683**	**(854)**	**2,829**	**(540)**	**1,380**	**(150)**
PEOPLE (EDUCATION - GF)								
Enhanced Pension Costs	1,716	1,732	16		16	(75)		
SEN Services	968	968	-		-		867	
Educational Psychology Service	565	565	-		-			
Schools Improvement Service	419	277	(142)		(142)	(45)		
Early Years	543	540	(3)		(3)			
Asset Management & Development	53	53	-		-			
Other Services	278	245	(33)		(33)			(300)
People (Education) Total	**4,542**	**4,380**	**(162)**	**-**	**(162)**	**(120)**	**867**	**(300)**
PEOPLE TOTAL	**150,161**	**153,166**	**3,005**	**(1,991)**	**1,014**	**(3,063)**	**4,163**	**(450)**
HOUSING								
Temporary Accommodation	5,777	23,012	17,235	(90)	17,145	-		
Families with NRPF	905	2,343	1,438	-	1,438			
Other	5	5	-	-	-	-		
Housing Total	**6,687**	**25,360**	**18,673**	**(90)**	**18,583**	**-**	**-**	**-**

LB ENFIELD **APPENDIX A**

General Fund Revenue Monitor 2023/24

Period 5 Forecast

Directorate	Current Budget £'000	Forecast Outturn £'000	Gross Variance £'000	Specific Reserves £'000	Full Year Net Variance £'000	Memo: Mitigations and new savings incl. £'000	Risks £'000	Opportunities £'000
ENVIRONMENT & COMMUNITY								
E&C Direction & Business Management	790	790	-	-	-	-		
HRD Direction & Business Management	555	475	(80)	-	(80)	(80)		
Environment & Street Scene directorate	21,965	22,460	495	(102)	393	(4,123)	654	
Leisure, Parks & Culture directorate	4,183	4,935	752	-	752	(250)		
Planning and Growth	1,541	2,729	1,188	(777)	411	(115)		
Customer & Communications directorate	5,719	5,499	(220)	-	(220)	(68)		
Environment & Community Total	**34,753**	**36,888**	**2,135**	**(879)**	**1,256**	**(4,636)**	**654**	**-**
RESOURCES								
Digital Services	12,226	12,810	584	(100)	484	(205)	400	-
Property	4,780	6,528	1,748	(398)	1,350	(20)	295	
Corporate Finance	2,954	3,073	119	-	119			
Capital & Procurement	1,839	1,839	-	-	-			
Financial Assessments	3,526	3,883	357	(357)	-			
Income Collection	2,362	2,784	422	-	422			
Exchequer Services	1,145	940	(205)	-	(205)	(237)		(200)
Executive Director	616	618	2	-	2			
Resources Total	**29,448**	**32,475**	**3,027**	**(855)**	**2,172**	**(462)**	**695**	**(200)**
CHIEF EXECUTIVE								
Chief Executive	333	232	(101)	-	(101)			
HR & OD	2,251	2,152	(99)	-	(99)	(104)		
Law & Governance	6,993	7,239	246	-	246	(76)		
Corporate Strategy	1,134	1,100	(34)	(36)	(70)	(70)		
Meridian Water	(686)	(512)	174	-	174			
Electoral Services	627	666	39	82	121			
Chief Executive Total	**10,652**	**10,877**	**225**	**46**	**271**	**(250)**	**-**	**-**
NET SERVICE BUDGETS	**231,701**	**258,766**	**27,065**	**(3,769)**	**23,296**	**(8,411)**	**5,512**	**(650)**
% of net revenue expenditure over/(under) budget					**10%**			
CORPORATE BUDGETS	**55,241**	**58,345**	**3,104**	**1,052**	**4,156**	**(50)**	**-**	**-**
GRAND TOTAL - NET COUNCIL EXPENDITURE	**286,942**	**317,111**	**30,169**	**(2,717)**	**27,452**	**(8,461)**	**5,512**	**(650)**
% of budget over/(under)					**10%**			

Appendix B

Achievement of Savings and Income Targets

Savings + Income Totals							
Total by Department	**CEX**	**People**	**Housing**	**E&C**	**Resources**	**Corporate**	**Grand Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
FYE	0.100	(0.588)	0.000	(0.040)	(1.010)	-	**(1.538)**
New 2023/24	(0.918)	(5.206)	(0.320)	(3.320)	(2.950)	(1.504)	**(14.218)**
Total	**(0.818)**	**(5.794)**	**(0.320)**	**(3.360)**	**(3.960)**	**(1.504)**	**(15.756)**

Risk Status							
Total by Department	**CEX**	**People**	**Housing**	**E&C**	**Resources**	**Corporate**	**Grand Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Blue	(0.200)	(0.180)	0.000	0.100	0.000	0.000	**(0.280)**
Green	(0.618)	(4.907)	(0.120)	(1.890)	(2.861)	(1.504)	**(11.900)**
Amber	0.000	(0.707)	(0.100)	(0.905)	(0.602)	0.000	**(2.314)**
Red	0.000	0.000	(0.100)	(0.665)	(0.497)	0.000	**(1.262)**
Total	**(0.818)**	**(5.794)**	**(0.320)**	**(3.360)**	**(3.960)**	**(1.504)**	**(15.756)**

Financial Impact							
Total by Department	**CEX**	**People**	**Housing**	**E&C**	**Resources**	**Corporate**	**Grand Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Deliverable	(0.756)	(4.921)	(0.320)	(2.827)	(2.557)	(1.504)	**(12.885)**
Deferred	(0.062)	(0.873)	0.000	(0.398)	(0.870)	0.000	**(2.203)**
Undeliverable	0.000	0.000	0.000	(0.135)	(0.533)	0.000	**(0.668)**
Total	**(0.818)**	**(5.794)**	**(0.320)**	**(3.360)**	**(3.960)**	**(1.504)**	**(15.756)**

Appendix C

Savings & Income Monitor

Chief Executive

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Enfield Strategic Partnership review of reserves	0.0	100	100		
Voluntary & Community Sector budget savings	0.0	(300)	(300)		
Strategy & Policy Team - Operating Budget savings	1.5	(15)	(15)		
Schools Personnel – increased traded service income	1.5	(30)	(30)		
Strategy & Policy Team - HRA recharge income	1.5	(35)	(35)		
Human Resources – HRA recharge income	1.5	(30)	(30)		
Registrars - Income Generation through additional fees & charges	1.5	(50)	(50)		
Policy Team restructure proposal	2.5	(200)	(200)		
Psychometric Testing saving	3.0	(10)	(10)		
Workforce & Performance Analyst & Pay Reward & Benefits Advisor posts	2.5	(102)	(102)		
Post from full time to part time	1.5	(6)	(6)		
Employee relations post (0.8 FTE)	1.5	(30)	(30)		
HR Apprenticeships Team deletion	1.5	(98)	(36)	(62)	
OD Restructure	1.5	(12)	(12)		
		(818)	**(756)**	**(62)**	**0**

Adults

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Reardon Court – Extra Care	7.5	(113)	-	(113)	
Increased income through fees and charges for chargeable Adult Social Care Services	2.5	(100)	(100)		
Consolidate VCS offer (Posts and grants)	1.5	(40)	(40)		
Care Purchasing/Demand Management	3.5	(900)	(900)		
Day Services and Transport Reviews	3.5	(700)	(700)		
Grant & Income Maximisation	3.5	(800)	(800)		
Efficiencies & running costs	2.5	(150)	(150)		
Pause SW apprenticeship recruitment	2.5	(100)	(100)		
Proposed 5% staffing reductions	3.5	(786)	(786)		
		(3,689)	**(3,576)**	**(113)**	**-**

Children & Families

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Reduction in operational costs	2.5	(100)	(68)	(32)	
Reduction in external care purchasing costs through in-borough developments of fostering and residential provision	5.0	(594)	(74)	(520)	
Re-tender home care provision for disabled children	1.5	(56)	(28)	(28)	
Use of NCIL to substitute Youth Services funding for 1 year	0.0	(180)	(180)	0	
CCTV income opportunities	3.0	(50)	(50)	0	
Pause SW apprenticeship recruitment	2.5	(200)	(87)	(113)	
New children's home	3.5	(300)	(233)	(67)	
		(1,480)	**(720)**	**(760)**	**-**

Education

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Vacant post deletion - Early Years	1.5	(20)	(20)		
Part funding of an existing post from the Holiday & Food Grant	1.5	(10)	(10)		
Careers Service Restructure	1.5	(20)	(20)		
		(50)	**(50)**	**0**	**0**

Public Health

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Redistribution of the Public Health grant	3.5	(375)	(375)		
Reduction in running costs - Sexual Health	2.5	(100)	(100)		
Reduce Out of Borough Sexual Health costs	2.5	(100)	(100)		
		(575)	**(575)**	**0**	**0**

Environment & Communities

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Consolidation of ASB unit	0.0	(100)	(100)		
Waste Enforcement Contract Optimisation	7.0	(270)	(68)	(68)	(135)
Green Waste Collection Dates	5.0	(200)	(200)	0	0
Increase Garden Waste Charges	3.5	(400)	(400)	0	0
Commercial workshop- expand 3rd party service change	2.5	(100)	(100)	0	0
Consumer Protection review	2.5	(127)	(76)	(51)	0
Staffing Review (Culture)	2.5	(100)	(100)	0	0
Streetworks savings	1.5	(50)	(50)		
Staffing Review (Place)	2.5	(120)	(120)	0	0
Inflation uplift on external clients and receipts income	2.5	(180)	(180)	0	0
Across Place-external fees and charges	2.5	(200)	(200)	0	0
Place Service Reviews - Crossover team review	0.0	(45)	(45)		
Place Service Reviews - Licensing Scheme	0.0	(220)	(220)		
Making climate change a departmental responsibility	2.5	(200)	(200)		
Southgate Cemetery - Mausoleum and Vaulted graves sales	1.5	(10)	(10)	0	0
Grow Commercial Waste Service	1.5	(75)	(75)	0	0
Review of Parking Permit charging	1.5	(60)	(60)	0	0
Traffic order/ permit performance Income	1.5	(50)	(50)	0	0
Vacant Comms (PO1) post	1.5	(50)	(50)		
Customer Operations	1.5	(50)	(50)		

New visa verification contract	5.0	(200)	(155)	(45)	
Schools Catering Closure	5.0	(235)	-	(235)	
Commercial Team vacant post deletions (MM1 & SO2)	2.5	(100)	(100)		
STS Admin post deletion (part-time)	1.5	(18)	(18)		
Place Service Review - Holly Hill Landscaping	3.5	(250)	(250)		
Extension of Holly Hill land improvement	0.0	200	200		
Place Service Reviews - Staffing review Planning	0.0	(150)	(150)		
		(3,360)	**(2,827)**	**(398)**	**(135)**

Housing

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Place Service Reviews - Resources under the business support manager	0.0	(100)	(100)	0	0
Housing Enabling Posts - Utilise Grant Funding	2.5	(100)	(100)	0	0
Departmental training budget	1.5	(80)	(80)	0	0
Increase income from GF community spaces	1.5	(40)	(40)	0	0
		(320)	**(320)**	**0**	**0**

Resources

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Procurement saving resulting from replacing our digital customer platform	10.5	(400)			(400)
Internal Enforcement Team	7.0	(300)		(300)	
Digital Services restructure	3.5	(656)	(591)	(65)	
Civica contract saving	7.5	(150)		(150)	
Income & Debt team vacant post deletions	2.5	(125)	(125)		
Relet rather than sell John Wilkes House and Charles Babbage House	2.5	(140)	(140)	0	0
Security Savings	2.5	(200)	(200)	0	0
Morson Road Service Charge	4.5	(30)	(5)	0	(25)
Staffing Review (Property)	4.5	(36)	0	0	(36)
CMFM restructure	3.5	(500)	(425)	(75)	0
Montagu Industrial Estate Redevelopment	3.5	(300)	(300)	0	0
Cleaning Review	3.5	(500)	(148)	(280)	(72)
Place Service Reviews - Consolidate B Block North into South (energy)	0.0	(97)	(97)	0	0
Market Rentals for Council Properties	3.0	(10)	(10)	0	0
Business Rate Charges, Reduce costs on empty properties	2.5	(100)	(100)	0	0
Income from Rent Reviews	2.5	(240)	(240)	0	0

Insource current removal contract	1.5	(20)	(20)	0	0
Trespass and Enforcement Budget	1.5	(50)	(50)	0	0
Relet Marsh House meanwhile use (temp saving 2-3 years)	1.5	(20)	(20)	0	0
Staffing Review (Place)	0.0	(86)	(86)	0	0
		(3,960)	**(2,557)**	**(870)**	**(533)**

Corporate

Description	Total Risk Score	2023/24 Target (£000)	2023/24 Deliverable (£000)	2023/24 Deferred (£000)	2023/24 Unachievable (£000)
Saving from reducing Employers Pension Contribution rate from 20.2% to 19.1% based on actuarial review	2.5	(1,450)	(1,450)	0	0
Increase in court cost income. Look to increase court charges to the London average	1.5	(54)	(54)	0	0
		(1,504)	**(1,504)**	**0**	**0**

Appendix D

Collection Fund - update in detail

The performance on collection of council tax and business rates is set out in the tables below:

Table D1 - Council Tax Collection Performance 2023/24 as at 31 August 2023

	2023/24 Net Collectable Debit (£m)	2023/24 Net Amount Collected (£m)	2023/24 Collected %	23/24 Target %	+/- Against Target %	2022/23 Net Collectable Debit (£m)	2022/23 Net Amount Collected (£m)	2022/23 Collected %
April 2023	195.076	21.540	11.04%	10.0%	+1.04%	182.445	20.527	11.25%
May 2023	195.106	38.213	19.59%	18.0%	+1.59%	182.566	36.099	19.77%
June 2023	195.095	54.830	28.10%	27.5%	+0.60%	182.549	51.465	28.19%
July 2023	195.157	71.134	36.45%	35.5%	+0.95%	182.370	66.950	36.71%
Aug 2023	195.339	88.123	45.11%	44.0%	+1.11%	182.401	82.394	45.17%

Table D2 - Business Rates Collection Performance 2023/24 as at 31 August 2023

	2023/24 Net Collectable Debit (£m)	2023/24 Net Amount Collected (£m)	2023/24 Collected %	23/24 Target %	+/- Against Target %	2022/23 Net Collectable Debit (£m)	2022/23 Net Amount Collected (£m)	2022/23 Collected %
April 2023	123.159	10.322	8.38%	8.0%	+0.38%	110.506	10.575	9.57%
May 2023	123.383	22.110	17.92%	16.5%	+1.42%	113.176	19.339	17.09%
June 2023	122.933	32.079	26.09%	24.0%	+2.09%	113.986	27.941	24.51%
July 2023	123.493	42.107	34.10%	32.5%	+1.60%	114.106	36.550	32.03%
Aug 2023	122.739	52.427	42.71%	40.5%	+2.21%	115.079	48.271	41.95%

Collection Fund - Council Tax

The forecast Council Tax in year position is a £1.804m deficit across the Collection Fund as shown in Table D3 below, a minor improvement of £0.044m on the June forecast. The main reasons for the variance are the increased cost of the Council Tax Support Scheme £2.689m, an increased level of discounts and exemptions £0.498m which are offset by increased Council Tax income (£0.472m) and the Council Tax Support Fund (£0.796m).

Table D3 – Collection Fund Council Tax

	% Shares	Budget 2023/24 (£m)	Forecast Outturn (£m)	Variance (£m)
Gross Council Tax income for 23/24		(255.817)	(256.289)	(0.472)
Less: Council Tax Support		39.142	41.831	2.689
Less: Other discounts		19.302	19.800	0.498
Net Collectible Council Tax		**(197.373)**	**(194.658)**	**2.715**
Council Tax Support Fund		0	(0.796)	(0.796)

Increase/ (decrease) to bad debt provision		8.388	8.273	(0.115)
Council Tax Income		**(188.985)**	**(187.181)**	**1.804**
Allocation of Council Tax Income				
London Borough of Enfield	77.76%	(146.963)	(145.560)	1.403
Greater London Authority	22.24%	(42.022)	(41.621)	0.401
Total Allocation		**(188.985)**	**(187.181)**	**1.804**

Collection Fund - Business Rates

The forecast year end position for Business Rates as at August 2023 is now a positive position, as shown below in Table D4, showing a surplus of £3.357m, compared to the £0.021m forecast in June.

The net collectable business rates are forecast to increase by £2.033 compared to the budgeted position, with an increase of £1.324m for transitional protection also contributing to the surplus position. As a result of gross business rates being higher, reliefs are also forecast to be higher. Largely the supporting small business relief which is currently £1.089m higher and the transitional protection relief (mentioned above) which is currently £1.324m higher than at budget setting. Both reliefs are funded by central government, so the increase does not negatively impact the council's income. Empty reliefs are £2.043m higher than anticipated at budget setting, these reliefs are unfunded and therefore do impact the income.

This position is sensitive to a number of risks, principally the uncertainly around the appeals against the rateable values as set by the Valuation Office which were subject to a revaluation effective from 1st April 2023. We are aware that the Valuation Office has been working to clear the appeals relating to the prior 2017 valuation list and the impact of this is likely to be seen in the next collection fund monitoring update.

Table D4: Collection Fund Business Rates

	% Shares	Budget 2023/24 (£m)	Forecast Year End Position (£m)	Variance (£m)
Gross Business Rates Income		(162.063)	(165.234)	(3.171)
Forecast appeals in 2023/24		4.531	1.856	(2.675)
Impact of adjustment to prior years*		0	0.135	0.135
Transitional protection relief (see below)		13.906	15.230	1.324
Estimated unfunded reliefs		14.383	16.134	1.751
Estimated funded reliefs		14.458	15.164	0.706
		(114.785)	(116.715)	(1.930)
Increase/ (decrease) to bad debt provision		7.466	7.362	(0.104)
Net Collectable Business Rates		(107.319)	(109.353)	(2.033)
Transitional protection payment due to Authority		(13.906)	(15.230)	(1.324)
Cost of Collection Allowance		0.329	0.329	0
Net Business Rates Income Total		(120.896)	(124.254)	(3.357)
Allocation of Business Rates Income				
London Borough of Enfield	30%	(36.269)	(37.276)	(1.007)
Greater London Authority	37%	(44.731)	(45.974)	(1.242)

Central Government	33%	(39.896)	(41.004)	(1.108)
Total Allocations		**(120.896)**	**(124.254)**	**(3.357)**