

## MUNICIPAL YEAR 2018/2019 REPORT NO. 122

### MEETING TITLE AND DATE:

Cabinet  
12 December 2018

### REPORT OF:

Director of Finance

Contact officer and telephone number:

Jayne Fitzgerald

0208 379 5571

Email: [jayne.fitzgerald@enfield.gov.uk](mailto:jayne.fitzgerald@enfield.gov.uk)

**Agenda – Part:1**

**Item: 6**

**Subject: Budget 2019/20 Update and  
Phase 3 Savings and Income Generation  
Proposals**

**Wards: All**

**Key Decision No: 4745**

**Cabinet Members consulted: Nesil  
Caliskan, Leader of the Council and Mary  
Maguire, Cabinet Member for Finance and  
Procurement**

## 1. EXECUTIVE SUMMARY

- 1.1 This report summarises progress on the preparation of the Budget and Medium Term Financial Plan (MTFP) for 2019/20 to 2022/23
- 1.2 It provides an update of the MTFP including pressures, savings, full year effects and grants and notes the remaining budget gap of £6m in 2019/20
- 1.3 Phase 1 and 2 savings and income generation proposals previously reported to Cabinet have been updated in Appendix B and Phase 3 proposals for savings and income generation are put forward for approval in Appendix C
- 1.4 Details of the 2019/20 Budget Consultation are set out in paragraph 7

## 2. RECOMMENDATIONS

That Cabinet:

- 2.1 Notes the progress made to date in the preparation of the 2019/20 budget and the current budget gap of £6m (**Appendix A**) and work continuing on this to present a balanced budget in February 2019
- 2.2 Agrees to progress the Phase 3 savings proposals of £1.835m set out in **Appendix C** and note updated Phase 1 and 2 savings (**Appendix B**)
- 2.3 Notes the pressures being included in the draft budget as set out in **Appendix D** which aim to put the budget on a more resilient footing
- 2.4 Note that the draft Local Government Finance Settlement (LGFS) will be published on 6<sup>th</sup> December and final LGFS by the end of January and the budget will need to be amended for any changes to current assumptions

### **3 THE FINANCIAL CONTEXT**

- 3.1 The Chancellor's 2018 Budget confirmed additional one-off funding of £240m for Adult Social Care (ASC) in 2018/19 and 2019/20 of which Enfield's share is approximately £1.3m for each year. In addition, a further £410m will be made available to support both adults' and children's social care in 2019/20. Further details are awaited on how this will be distributed but it is estimated that Enfield's share could be in the region of £3.5m. Other measures announced included small business retail relief for retail businesses with a Rateable Value of less than £51,000 for two years. It is estimated that in the region of 1,100 retailers in the Borough could benefit from this, and the Council will be fully compensated for the relief.
- 3.2 However, it was a disappointment that known cost pressures have not been recognised in the announcements namely, homelessness funding pressures and schools' High Needs pressures. Whilst the budget committed to "putting social care on fairer and more sustainable footing" in the forthcoming ASC green paper, the date for publication was still not announced and there was no mention of any long-term plan for children's social care funding.
- 3.3 The draft Local Government Finance Settlement will be announced on 6<sup>th</sup> December 2018. It is not expected that there will be any major changes to funding in this settlement as the four-year funding deal which ends in 2019/20 is still in place. Additional one-off funding as detailed below was already announced in the Chancellors Autumn budget and has been included in the updated MTFP in Appendix A.
- 3.4 As highlighted in the July and October Cabinet reports there is great uncertainty over future Government funding after the end of the four-year settlement. The consultation on the proposed Fair Funding arrangements which will form the basis of the settlement for the new Spending Review period (SR2019) is still awaited and the final arrangements for 2019/20 will not be known until autumn 2019.
- 3.5 Details of the arrangement for the second year of the London Pilot Pool have just been announced and are being analysed. This sets out the terms of an agreement to extend the London Business Rate Retention Pilot into 2019/20 at the level of 75% retention and without a 'no detriment' clause. As the response from the Mayor and Cllr Peter John makes clear, this does not fully meet the ambitions that London had set out for the second year of the pilot. It is expected however that the potential financial benefit, compared to having no pilot, continues to be significant. The precise benefit will, of course, depend on the level of growth in business rate income across the capital next year and an update on the forecast position will be included in the February report.

### **4 PHASE 3 SAVINGS PROPOSALS**

- 4.1 July and October Cabinet meetings received updates on budget development and agreed the first two phases of savings proposals for 2019/20 against a target of £18m. There has been a minor change to the Phase 1 proposals as previously reported and the revised proposals are detailed in Appendix B and summarised in the table below. The change arises from the ongoing review of the savings proposals to ensure they are achievable; this is as follows:

- Phase 1 savings proposal: on Waste Collection on Bank Holidays (£80k) This was a proposal to move the collection to the day after a bank holiday and catch up on the following weekend. This has been removed to facilitate discussions on a wider proposal to change waste collection arrangements which is currently out to consultation.

4.2 An update on the third phase of proposals for savings and income generation that have been identified is set out in Appendix C and summarised in the table below and Cabinet is recommended to agree that these savings be progressed.

**Table 1: Summary of Savings and Income Generation Proposals**

<b>Savings and Income Generation Proposals against Target</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>Overall Target</b>	<b>(18,000)</b>	<b>(8,500)</b>	<b>(5,000)</b>	<b>(5,000)</b>
<b>Phases 1 and 2</b>				
Corporate Services	(1,200)	0	0	0
People	(3,403)	917	(113)	(377)
Chief Executive	(576)	0	0	0
Resources	(517)	(50)	(200)	0
Place	(3,783)	(576)	(296)	(22)
<b>Phases 1 and 2 Total</b>	<b>(9,479)</b>	<b>291</b>	<b>(609)</b>	<b>(399)</b>
<b>Phase 3</b>				
Chief Executive	(200)	0	0	0
Resources	(410)	0	0	0
Place	(1,225)	(1,130)	(761)	(50)
<b>Phase 3 Total</b>	<b>(1,835)</b>	<b>(1,130)</b>	<b>(761)</b>	<b>(50)</b>
<b>Total Savings &amp; Income</b>	<b>(11,314)</b>	<b>(839)</b>	<b>(1,370)</b>	<b>(449)</b>
Growth in Taxbase and Empty Homes Premium	(1,450)			
<b>SHORTFALL ON TARGET</b>	<b>(5,236)</b>	<b>(7,661)</b>	<b>(3,630)</b>	<b>(4,551)</b>

## 5 PRESSURES

5.1 There has been widespread coverage of the general pressures across the sector, and the difficulties all local authorities are now facing, and this was discussed in more detail in the July Budget report. As set out in the revenue monitoring report to Cabinet in November, the forecast budget overspend for the current financial year is £8.9m after the application of £4.2m capital receipts. Starting with the most significant overspends, a robust review is being undertaken of the reasons for the in-year overspends and the short and longer-term management actions that are needed to address these. The review has considered which pressures can and cannot be managed, with all current and forecast pressures subject to a system of RAG rating. Action plans have been drawn up to address pressures in year but any remaining variance at year-end will need to be met from a contribution from the

Council's general balances and reserves. It will be critical to ensure an adequate level of reserves going forward, in the light of in-year pressures on budgets and the uncertainty of future funding, and setting a robust budget is essential to minimising the call on reserves.

- 5.2 It is with this aim of establishing a more resilient budget that it is proposed that pressures rated as red (considered to be ongoing and not manageable) should be built into the MTFP in order to produce a more resilient budget. The full pressures are detailed in Appendix D and summarised in Table 2 below and include provision for pay awards, inflation, increased pension fund contributions demographic growth and cost pressures, investment in services and financing of the capital programme. These total £18.7m in 2019/20 (after netting off the new one-off social care funding and increase in the better care fund) and £45.1m over the four-year MTFP period.

**Table 2: Growth and Pressures in the MTFP**

Category	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
<b>Corporate</b>					
Inflation	2,000	3,000	3,000	3,000	11,000
Pay	3,080	1,500	1,500	2,200	8,280
Pension	1,000	0	0	0	1,000
Minimum Revenue Provision for Capital	1,000	0	0	0	1,000
North London Waste Authority Levy	1,000	1,000	1,000	1,000	4,000
<b>Corporate Total</b>	<b>8,080</b>	<b>5,500</b>	<b>5,500</b>	<b>6,200</b>	<b>25,280</b>
<b>Services</b>					
Demographic Growth	5,468	2,397	0	0	7,865
Investment in Services	1,000	0	0	0	1,000
Cost and Other Pressures	9,753	1,879	130	0	11,762
Unachieved Prior Years Savings	2,536	0	0	0	2,536
<b>Gross Growth and Pressures</b>	<b>26,837</b>	<b>9,776</b>	<b>5,630</b>	<b>6,200</b>	<b>48,443</b>
Improved Better Care Fund	(1,839)	0	0	0	(1,839)
Social Care Funding (one-off)	(4,800)	4,800	0	0	0
Capital Receipts	(1,461)	0	0	0	(1,461)
<b>Net Total Growth and Pressures</b>	<b>18,737</b>	<b>14,576</b>	<b>5,630</b>	<b>6,200</b>	<b>45,143</b>

- 5.3 The investment in services represents £1m into Children's Services which will enable the recruitment to 18 frontline posts to address the demands and relieve pressure in Children's social care, increasing the social care workforce and reducing caseloads to an acceptable level in line with the Pan London agreement.
- 5.4 It should be noted that in addition to the red pressures included in the plan above, there are a further £5.2m of amber budget pressures identified. These are currently assumed to be able to be recovered, however, as the year progresses the table of budget cost pressures will be updated.

## **6 MEDIUM TERM FINANCIAL PLAN UPDATE**

- 6.1 **Appendix A** sets out the latest MTFP which has been updated for savings and income proposals, pressures and new funding. This will be updated for Phase 4 funding proposals, any changes in pressures and final funding estimates. The budget gap for 2019/20 is currently £6m.
- 6.2 As funding post 2020 is so uncertain, a resilient budget for 2019/20 is essential as a starting point and early development of savings and income generation proposals for future years will be crucial. In order to protect front line services, innovative projects and strategies are being developed, including the Commercial Strategy which aims to find new ways of delivering services more efficiently; bring forward procurement savings; generate sustainable income and maximise the use of Council assets. The Digital Strategy aims to provide improved access to services online and reduce administrative costs.
- 6.3 Ambitious projects that are being developed for the future benefit of Enfield residents include a Care Village, improved in-Borough SEN provision, health and social care integration and the Meridian Water regeneration. These schemes are expected to generate a net financial benefit to the Council as well as resulting in improved services for the residents of Enfield.

## **7 BUDGET CONSULTATION**

- 7.1 The budget consultation with Enfield residents was launched on 26<sup>th</sup> October and will run until the 6<sup>th</sup> January. Information about Enfield's financial challenges was included in a press release in the first week of the consultation and will also form an article in the next edition of Our Enfield, with an invitation for residents to take part in an online consultation. The online consultation includes a short questionnaire and a budget simulator, where residents can model the impact of funding reductions on different services. This consultation will be complemented by presentations to the Health and Wellbeing Board and the Voluntary Sector Strategy Group Meeting. The outcome of the budget consultation will be reported to the Overview and Scrutiny Committee Budget Meeting on 31<sup>st</sup> January. OSC's comments and a summary of the consultation findings will be reported on to February Cabinet.

## **8 BUDGET CHALLENGE**

- 8.1 Additional scrutiny has been applied to the budget process this year through a councillor and officer budget challenge panel chaired by the Cabinet Member for Finance and Procurement during November. This included consideration of areas such as, what services have not been subject to savings in 2019/20, a review of the deliverability of the savings or income generation proposals put forward and information on the equalities impact. Officers took members through how their services are delivered and how much they cost as well as consideration of the savings.

## **9 NEXT STEPS AND TIMETABLE**

- 9.1 Work will continue to identify any further savings options for the 2019/20 budget and beyond in order to bridge the budget gap. Officers will be scrutinising proposals to

ensure that they are deliverable, and that service and equalities impacts are clearly set out. The timetable for finalising the budget is set out in Table 3 below.

**Table 3: Budget Finalisation Timetable**

<b>Milestone</b>	<b>Date</b>
Draft Local Government Finance Settlement	6 <sup>th</sup> December 2018
Budget Consultation	26 <sup>th</sup> Oct 2018 to 6 <sup>th</sup> Jan 2019
Overview and Scrutiny Committee Budget Meeting	31 <sup>st</sup> January 2019
Final Local Government Finance Settlement	Due by end Jan 2019
Cabinet and Council – Final Budget and Council Tax for 2019/20	13 <sup>th</sup> February 2019 and 27 <sup>th</sup> February 2019

## **10 ALTERNATIVE OPTIONS CONSIDERED**

10.1 The Council operates a budget planning and consultation process during which a wide range of options are considered in detail.

## **11 REASONS FOR RECOMMENDATIONS**

11.1 Cabinet needs to manage the 2019/20 financial planning process having regard to constraints in public spending.

## **12 COMMENTS OF THE DIRECTOR OF FINANCE AND OTHER DEPARTMENTS**

### **12.1 Financial Implications**

Financial implications are implicit in the body of the report. By planning an effective budget round and considering financial resources in the light of the Council's strategic priorities and other resources, the framework for the development of the budget is robust and in line with service delivery requirements. By considering risk as part of this process, council reserves and balances will be appropriately set to ensure the continued financial stability of the Council.

### **12.2 Legal Implications**

The Council has various legal and fiduciary duties to arrange for the proper administration of its financial affairs. This report sets out the lawful basis upon which recommendations will be made to note progress made in preparation of the 2019/20 budget and agree savings proposals for 2019/20 and beyond. The Council's budget-setting process is set out in the Constitution.

As part of these recommendations, officers will undertake equality impact assessments to help secure compliance with the Council's ongoing duties under the Equality Act to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity between people who share a protected characteristic and those who do not and foster good relations between those who share a protected characteristic and those who do not.

Members must consider how their decisions will contribute towards meeting these duties in the light of other relevant circumstances such as economic and practical considerations.

Members should note that some of the actions to deliver proposed savings for future years have not yet taken place and may require specific statutory and/or legal procedures to be followed.

### **12.3 Property Implications**

There are savings proposals in this report which will impact on Property. The Director of Property, Regeneration and Environment has been fully involved in the development of these proposals and will make appropriate arrangements to manage their impact.

## **13 KEY RISKS**

- 13.1 The budget risks during 2018/19 are being managed through detailed revenue monitoring reports. Departments are acting to minimise budget pressures and to align departmental spend to budget. By building known pressures into the MTFP budget risks will be minimised and this will be kept under continual review through the monitoring process.

## **14 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

- 14.1 The savings proposals in this report are part of the budget development process for the 2019/20 budget and for future years. The budget will be developed in support of the Council's priorities:

- Good homes in well-connected neighbourhoods
- Sustain strong and healthy communities
- Build our local economy to create a thriving place

## **15 EQUALITIES IMPACT IMPLICATIONS**

- 15.1 As part of the development of the 2019/20 budget, Heads of Service are undertaking equality impact assessments of savings proposals requiring change or new services and policies and evaluating how the proposals will impact on all parts of the community. Heads of Service will identify what actions will be taken to mitigate against the worst adverse impacts at the end of their EQIA.

## **16 PERFORMANCE MANAGEMENT IMPLICATIONS**

- 16.1 This report provides clear evidence of sound financial management and efficient use of resources.

## **17 HR IMPLICATIONS**

- 17.1 To date the Council has implemented a robust redeployment programme and worked closely with the trade unions to identify initiatives which have minimised the

number of compulsory redundancies over the past three years. Given the financial pressures identified in this report, the Council will be exploring a range of options to ensure that its human resources are appropriately used and allocated in the future with a view to delivering efficient services with reduced budgets.

## **18 PUBLIC HEALTH IMPLICATIONS**

18.1 Heads of Service will consider whether the savings proposals could have an adverse impact on Public Health and will take action to mitigate any impact.

### **Background Papers**

None.



## Appendix A

Medium Term Financial Plan	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
<b>Council Tax Requirement</b>	<b>121,079</b>	<b>127,090</b>	<b>130,021</b>	<b>133,017</b>
<b>Changes in Government Funding:</b>				
Corporate Specific Grants	362			
Revenue Support Grant	8,440			
Business Rate Top-Up	(1,354)			
Local Business Rates (NNDR1)	(1,090)			
<b>Budget Gap Due to Change in Funding</b>	<b>6,358</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Budget Pressures and Growth:</b>				
Inflation	2,000	3,000	3,000	3,000
Pay Awards	3,080	1,500	1,500	2,200
Pension Fund Shortfall	1,000			
Capital Financing	1,000			
NLWA	1,000	1,000	1,000	1,000
Demographic Pressures	5,468	3,897		
Growth in Children's Services	1,000			
Part Funded by:				
Improved Better Care Fund	(1,839)			
Social Care Funding (one-off)	(4,800)	4,800		
Other Pressures	9,753	379	130	
Part Funded by:				
Capital Receipts	(1,461)			
Unachieved savings from prior years	2,536			
<b>Total Pressures net of Social Care Funding</b>	<b>18,737</b>	<b>14,576</b>	<b>5,630</b>	<b>6,200</b>
<b>Budget Gap after funding changes and pressures</b>	<b>25,095</b>	<b>14,576</b>	<b>5,630</b>	<b>6,200</b>
<b>Budget Savings and Income Generation</b>				
FYE Savings from prior Years	(3,668)	(629)	0	0
New Savings -Phase 1 & 2	(9,479)	291	(609)	(399)
New Savings -Phase 3	(1,835)	(1,130)	(761)	(50)
<i>* taxbase &amp; Empty Homes savings £1.25m + £200k shown below</i>				
<b>Total Savings and Income generation</b>	<b>(14,982)</b>	<b>(1,468)</b>	<b>(1,370)</b>	<b>(449)</b>
<b>Increase in Council Tax and ASC Precept:</b>				
Council Tax increase 2.99% 19/20 1.99% 20/21 +	(3,618)	(2,530)	(2,590)	(2,650)
ASC Precept 1% Increase	(1,210)	0	0	0
Increase in Council Taxbase	(1,250)	(400)	(410)	(420)
Empty Homes premium	(200)			
Collection Fund	2,204			
<b>Total Council Tax and Collection Fund</b>	<b>(4,074)</b>	<b>(2,930)</b>	<b>(3,000)</b>	<b>(3,070)</b>
<b>Remaining Budget Gap</b>	<b>6,039</b>	<b>10,178</b>	<b>1,260</b>	<b>2,681</b>

## Appendix B

<b>Savings and Income Generation Proposals Phase 1 &amp; 2</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>Corporate Services Savings</b>				
<b>Corporate Budgets</b> This is based on reducing the budget for interest charges. The budget may need to increase in future years.	(1,200)			
<b>Corporate Services Total Savings</b>	<b>(1,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Corporate Services Total Savings and Income</b>	<b>(1,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>People Department Savings</b>				
<b>Adult Social Care</b>				
<b>Reardon Court - Extra Care</b> This is a proposal to develop housing with support on the Reardon Court Site to reduce residential placements and provide more intensive community support.			(113)	(377)
<b>Direct Payments</b> The transfer of Direct Payment users from bank accounts to e-cards supports more efficient use of funding.	(50)			
<b>Healthcare reviews</b> This proposal involves the identification of appropriate funding streams to meet the needs of service users with complex health and social care support needs.	(50)			
<b>Assistive Technology</b> This is based on an increased use of assistive technologies as part of a wider community support offer to support independent living.	(50)			
<b>Reduction in placements from hospital</b> This saving is based on a reduction of five placements.	(37)			
<b>Contract management</b> This is the management of annual contract uplift arrangements to service providers.	(450)			
<b>Physical Disability Clients</b> The provision of appropriately adapted accommodation with support for younger disabled clients in residential care to reduce more expensive less appropriate placements.	(105)			
<b>Voluntary and Community Sector</b> This saving will come from a reduction in funding provided to the voluntary and community sector.	(100)			
<b>Children's Services</b>				
<b>Staffing Underspend</b> This reflects overprovision of budget which is no longer needed.	(16)			
<b>Children's Services</b> This is based on reducing the number of operational support managers and staff.	(50)			
<b>CCTV</b> This saving is achieved by using capital funding to purchase equipment.	(400)			
<b>Looked After Children</b> This is based on reducing expenditure in the core budget but increasing the provision via grant funding streams.	(75)			
<b>Youth Offending Unit</b> This is a proposal to reduce the use of sessional workers and running costs in the Youth Offending Unit.	(20)	(20)		
<b>Public Health</b>				
<b>Public Health</b> Savings realised from contract renegotiation and redesign of preventative services will be used as substitute funding in areas and activities of the Council that support improved achievement of public health outcomes across the wider determinants of health.	(1,850)	937		
<b>People Department Total Savings</b>	<b>(3,253)</b>	<b>917</b>	<b>(113)</b>	<b>(377)</b>
<b>People Department Income Generation</b>				
<b>Increased Income from Fees and Charges</b> This is additional income due to pensions and attendance allowance increases which flow into the assessment of how much clients should contribute to care packages.	(150)			
<b>People Department Total Income Generation</b>	<b>(150)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>People Department Total Savings and Income</b>	<b>(3,403)</b>	<b>917</b>	<b>(113)</b>	<b>(377)</b>

## Appendix B

Savings and Income Generation Proposals Phase 1 & 2		2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<b>Chief Executive Department Savings</b>					
<b>Internal Audit</b> The proposal is based on changing the current Internal Audit arrangements and moving to a shared management function with a neighbouring borough (£50k). A further £42k saving will be achieved by replacing a bought in service with in-house provision.	(92)				
<b>Legal Team</b> This saving is based on recharges made for internal legal support to the Housing Revenue Account and capital projects.	(200)				
<b>Communications</b> This saving is based on changing the Council newsletter (Our Enfield) to a digital newsletter and increasing the frequency and the reach of the e-newsletters as well as stepping up our social media activity.	(100)				
<b>Communications</b> This saving is based on stopping producing and distributing two editions of the Enjoy Enfield place marketing publication and changing two editions of the Enjoy Enfield marketing publication to a digital newsletter.	(100)				
<b>Communications: Meridian Water media and marketing support</b> A dedicated Meridian Water communications officer will be recruited. There is potential to fill this post with one of the existing marketing officers with a recharge to the project. Additional communications support for Meridian Water in line with the project reduces costs spent on external agencies, with a recharge to the project.	(84)				
<b>Chief Executive Department Total Savings</b>	<b>(576)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Chief Executive Department Total Savings and Income</b>	<b>(576)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources Department Savings</b>					
<b>Increase Finance Recharges</b> This is based on allocating management costs to the Pension Fund.	(10)				
<b>Payments Programme</b> A new system will allow efficiencies to be made in Exchequer and wider council administrative functions.		(200)	(200)		
<b>Operational Support Team</b> This saving follows a restructure and decentralisation of the operational support team.	(120)				
<b>Energy</b> This saving will be achieved through various energy saving initiatives.	(150)	150			
<b>Customer Services/Access Centres</b> This reflects the increased level of support in recharges to the HRA.	(162)				
<b>Resources Department Total Savings</b>	<b>(442)</b>	<b>(50)</b>	<b>(200)</b>		<b>0</b>
<b>Resources Department Income Generation</b>					
<b>Library Service</b> This is based on increasing the income target.	(75)				
<b>Resources Department Total Income Generation</b>	<b>(75)</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Resources Department Total Savings and Income</b>	<b>(517)</b>	<b>(50)</b>	<b>(200)</b>		<b>0</b>
<b>Place Department Savings</b>					
<b>Remodelling Regulatory Services</b> An operational re-organisation of Regulatory Services will be developed on a risk based model with resources targeted to minimise the impact.	(250)				
<b>Parks - Remodelling the Service</b> This proposal involves remodelling the parks and grounds maintenance service.	(100)				
<b>Traffic and Transportation</b> This proposal relates to a restructuring in Traffic and Transportation, which could impact on time to progress applications and capacity to bid for external funding although mitigating measures will be put in place.	(45)				
<b>Planning Policy</b> This is a reduction in the Local Plan Consultancy budget.	(50)				
<b>Temporary Accommodation Reduction Strategy</b> This covers a range of work streams: use of decants, large scale buy and lease back, portfolio shaping of supply, matching supply and demand, moving on, increasing private sector leasing/ private leased annexe.	(1,132)				
<b>Capital Charges</b> Capitalisation of the Urban Design Team's staff time on the Meridian Water project.	(24)				
<b>Place Department Total Savings</b>	<b>(1,601)</b>	<b>0</b>	<b>0</b>		<b>0</b>

# Appendix B

<b>Savings and Income Generation Proposals Phase 1 &amp; 2</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>Place Department Income Generation</b>				
<b>Growth of the Pest Control Service</b> The customer base will be increased to achieve a higher income target.	(25)			
<b>Growth of the Commercial Waste Services</b> The proposal is to increase the customer base and income target for operations.	(50)			
<b>Edmonton Cemetery Expansion and Other Cemetery income</b> This relates to additional income from sales of mausolea and vaulted graves. 19/20 figure includes £50k from other cemetery sites.	(354)	(6)	(6)	(6)
<b>Additional Recharge Income</b> This relates to Traffic and Transportation income generation from recharges to capital.	(25)			25
<b>Highways</b> This is additional income generation from recharges to capital and other external and internal funded projects.	(50)			
<b>Parking Strategy</b> There will be a review of the parking strategy across borough and council owned car parks, e.g. introduce parking charges to car parks in parks such as Trent Park and others to be identified.	(50)			
<b>Cemeteries Mausoleum and Vaulted graves sales</b> This is additional income from Southgate Cemetery. This proposal requires additional capital investment of £1,136k, which it is proposed to add to the capital programme.	(338)	(390)	(60)	(31)
<b>Parks Assets Income</b> This proposal relates to marketing of empty and end of lease assets within the Borough's parks portfolio to generate income, reduce the maintenance burden and improve social benefits derived from the properties.	(60)			
<b>Meridian Water Meanwhile Use</b> This involves using income generated by Meridian Water meanwhile use to support the General Fund.	(1,190)	(180)	(230)	(10)
<b>Filming</b> This is based on achieving additional income from filming on council sites.	(40)			
<b>Place Department Total Income Generation</b>	<b>(2,182)</b>	<b>(576)</b>	<b>(296)</b>	<b>(22)</b>
<b>Place Department Total Savings and Income</b>	<b>(3,783)</b>	<b>(576)</b>	<b>(296)</b>	<b>(22)</b>
<b>Phase 1 &amp; 2 Total Savings</b>	<b>(7,072)</b>	<b>867</b>	<b>(313)</b>	<b>(377)</b>
<b>Phase 1 &amp; 2 Total Income Generation</b>	<b>(2,407)</b>	<b>(576)</b>	<b>(296)</b>	<b>(22)</b>
<b>TOTAL PHASE 1 and 2 SAVINGS AND INCOME</b>	<b>(9,479)</b>	<b>291</b>	<b>(609)</b>	<b>(399)</b>
<b>Corporate Funding</b>				
Increase in Council Taxbase	(1,250)			
<b>Corporate Funding Total</b>	<b>(1,250)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PHASE 1 and 2 Proposals</b>	<b>(10,729)</b>	<b>291</b>	<b>(609)</b>	<b>(399)</b>

## Appendix C

<b>Savings and Income Generation Proposals Phase 3</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>Chief Executive Department Savings</b>				
<b>Voluntary and Community Sector Commissioning</b>	(200)			
The Council will continue to support existing commitments with the voluntary sector. The saving is due to making a minor reduction in one grant, and funding some other grant streams from the Community Capacity Building reserve.				
<b>Chief Executive Department Total Savings</b>	<b>(200)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Chief Executive Department Total Savings and Income</b>	<b>(200)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources Department Savings</b>				
<b>Review of Recharges to HRA</b>	(410)			
A review of the methodology for calculating recharges for support services to the HRA has been carried out and results in a revised charge.				
<b>Resources Department Total Savings</b>	<b>(410)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources Department Total Savings and Income</b>	<b>(410)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Place Department Savings</b>				
<b>Highways - Street Lighting</b>	(250)	(250)		
An invest to save business case is being developed; it is estimated that full year savings of £0.5m can be achieved following capital investment in LED lighting.				
<b>Temporary Accommodation - Future Years</b>		(780)	(711)	
The 2019/20 savings from the Temporary Accommodation Reduction Strategy were agreed to be progressed by July Cabinet. The strategy covers a range of work streams: use of decants, large scale buy and lease back, portfolio shaping of supply, matching supply and demand, moving on, increasing private sector leasing/ private leased annexe. This line relates to the expected savings in <b>future</b> years.				
<b>Decants</b>	(975)			
Use of HRA decants on Estate Regeneration Sites for TA tenants generates a saving and additional income to the General Fund.				
<b>Place Department Total Savings</b>	<b>(1,225)</b>	<b>(1,030)</b>	<b>(711)</b>	<b>0</b>
<b>Place Department Income Generation</b>				
<b>Building Control Income</b>		(50)		
Growing market share through service improvements and marketing.				
<b>Market Rentals for Council Properties</b>		(50)	(50)	(50)
A number of Council Properties are let to organisations at less than market rental. This proposal involves moving leases towards market rentals.				
<b>Place Department Total Income Generation</b>	<b>0</b>	<b>(100)</b>	<b>(50)</b>	<b>(50)</b>
<b>Place Department Total Savings and Income</b>	<b>(1,225)</b>	<b>(1,130)</b>	<b>(761)</b>	<b>(50)</b>
<b>Phase 3 Total Savings</b>	<b>(1,835)</b>	<b>(1,030)</b>	<b>(711)</b>	<b>0</b>
<b>Phase 3 Total Income Generation</b>	<b>0</b>	<b>(100)</b>	<b>(50)</b>	<b>(50)</b>
<b>TOTAL PHASE 3 SAVINGS AND INCOME</b>	<b>(1,835)</b>	<b>(1,130)</b>	<b>(761)</b>	<b>(50)</b>
<b>Corporate Funding</b>				
<b>Empty Homes Council Tax Premium</b>	(200)			
Implementation of council tax premium for homes that have been empty, premium increases with length of time home has been empty, subject to government legislation.				
<b>Corporate Funding Total</b>	<b>(200)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PHASE 3 Proposals</b>	<b>(2,035)</b>	<b>(1,130)</b>	<b>(761)</b>	<b>(50)</b>

**MEDIUM TERM FINANCIAL PLAN PRESSURES 2019/20 TO 2020/21**
**Appendix D**

Category	Department	Proposal Summary	2019/20	2020/21	2021/22	2022/23	Full Year
			£000	£000	£000	£000	£000
Inflation	Corporate	Price Inflation 1% future years	2,000	3,000	3,000	3,000	11,000
Pay	Corporate	Pay Awards and London Living Wage	3,080	1,500	1,500	2,200	8,280
Pension	Corporate	Review of Employers Pension rates	1,000				1,000
Minimum Revenue Provision for Capital	Corporate	Capital Financing for Additional Capital Borrowing	1,000				1,000
North London Waste Authority (NLWA) Levy	Corporate	NLWA levy - impact of North London Heat and Power Project	1,000	1,000	1,000	1,000	4,000
		<b>Total Corporate Pressures</b>	<b>8,080</b>	<b>5,500</b>	<b>5,500</b>	<b>6,200</b>	<b>25,280</b>
Demographic Growth	People - ASC	Customer Pathway, Learning Disabilities & Mental Health	3,802	3,500			7,302
Demographic Growth	People - Children's	Homes and Hostels	202				202
Demographic Growth	People - Children's	Remand cases in Children's Services	225				225
Demographic Growth	People - Children's	Special Guardianship Orders	701	30			731
Demographic Growth	People - Children's	Semi Independent care placements	201				201
Demographic Growth	People - Children's	Additional care leaver numbers and regulatory changes	337	367			704
		<b>Total Demographic Growth</b>	<b>5,468</b>	<b>3,897</b>	<b>0</b>	<b>0</b>	<b>9,365</b>
Investment in Services	People - Children's	18 frontline Social Workers	1,000				1,000
		<b>Total Investment in Services</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>
Cost and Other Pressures	People - ASC	Customer Pathway, Learning Disabilities & Mental Health	2,198				2,198
Cost and Other Pressures	People - Children's	Agency Fostering	342				342
Cost and Other Pressures	People - Children's	No Recourse to Public Funds increased demand	480				480
Cost and Other Pressures	People - Education	SEN Transport	2,000				2,000
Cost and Other Pressures	Place	Facilities - Cleaning and Security costs and non deliverable income	436				436
Cost and Other Pressures	Place	DCLG Funding for weekly collection drops out	850				850
Cost and Other Pressures	Place	Street Lighting PFI Reserve	343	291			634
Cost and Other Pressures	Place	Planning Policy (Full Year Effect)	103	88			191
Cost and Other Pressures	Place	Traffic and Transportation Income (Full Year Effect)			130		130
Cost and Other Pressures	Place	Repairs & Maintenance of corporate buildings	200				200
Cost and Other Pressures	Resources	Leisure services non deliverable income	250				250
Cost and Other Pressures	Resources	Procurement & Commissioning (P&C) co-managed contract	1,461				1,461
Cost and Other Pressures	Resources	Contract Review - one off saving in 2018/19	300				300
Cost and Other Pressures	Resources	Financial Assessments additional demand	240				240
Cost and Other Pressures	Resources	Income Collection additional demand	250				250
Cost and Other Pressures	Resources	Income Collection non deliverable income	300				300
		<b>Total Cost and Other Pressures</b>	<b>9,753</b>	<b>379</b>	<b>130</b>	<b>0</b>	<b>10,262</b>
Unachieved Prior Year Savings	CEX	Impact of market decline on Land Charges income	230				230
Unachieved Prior Year Savings	People - ASC	Decommissioning of Housing Related Support services	250				250
Unachieved Prior Year Savings	People - Education	Schools Traded Services income target	83				83
Unachieved Prior Year Savings	Place	Whitewebbs - leasing arrangement	50				50
Unachieved Prior Year Savings	Place	Rental income from the Civic Centre	631				631
Unachieved Prior Year Savings	Place	Bunding income	992				992
Unachieved Prior Year Savings	Resources	Commercialisation of IT	300				300
		<b>Total Unachieved Prior Year Savings</b>	<b>2,536</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,536</b>
		<b>Total Gross Pressures</b>	<b>26,837</b>	<b>9,776</b>	<b>5,630</b>	<b>6,200</b>	<b>48,443</b>
Cost and Other Pressures	People	Improved Better Care Fund (assumed ongoing)	(1,839)				(1,839)
Cost and Other Pressures	People	One off Social Care Funding 2019/20 Drops out in 2020/21	(4,800)	4,800			0
Cost and Other Pressures	Resources	P&C co-managed contract funded from capital receipts	(1,461)				(1,461)
		<b>Total Net Pressures</b>	<b>18,737</b>	<b>14,576</b>	<b>5,630</b>	<b>6,200</b>	<b>45,143</b>

## Appendix E

Full Year Effects of Prior Year Savings	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<b>People Department</b>				
<b>Joint Service for Disabled Children- staffing restructure</b> As part of the development of the Joint 0-25 SEND Service and establishment of more cost effective ways of working, plans are in place to delete a senior manager position to achieve the planned savings. There will be no reduction in service provision.	(65)			
<b>EPS / CAMHS Service</b> the Family Psychotherapy element of the service will be delivered by the BEHMHT with effect from April 2019. CAMHS staff working for this service will be transferred across under TUPE conditions which will reduce the staffing structure by 3.2 FTE and achieve the required savings. There will be no reduction in service provision.	(220)			
<b>Service Development Review</b> 3 commissioning officers will transfer from Children's to Adults and a saving will be achieved as one post will replace a vacant post in Adults.	(37)			
<b>People Department Total FYE Savings</b>	<b>(322)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Place Department</b>				
<b>Environment and Operations Savings and Income</b> A collection of diverse savings and income activities already implemented, including parking contract changes, parking control measures, advertising and park assets etc, to manage budget pressures.	(446)	(379)		
<b>Increase income across Environment, Operations and Planning</b> Annual fees and charges inflation increases as well as other fees and charges price increases.	(250)	(250)		
<b>Changes to Parking Measures</b> Part year effect of implementing new Pay and Display charges in 2018/19. £400k in total - £100k was saving achieved in 2018/19 and a further £300k will be achieved in 2019/20.	(300)			
<b>Place Department Total FYE Savings</b>	<b>(996)</b>	<b>(629)</b>	<b>0</b>	<b>0</b>
<b>Corporate Budgets</b>				
<b>Reduction in Corporate Contingency</b> A reduction in the amount held in contingency for Temporary Accommodation to compensate for the reversal of a saving within Community Housing.	(500)			
<b>Corporate Budgets Total FYE Savings</b>	<b>(500)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources Department</b>				
<b>Efficiencies across the department</b> A range of efficiency measures has been implemented across the department in 2018/19 with a full year effect of £50k in 2019/20	(50)			
<b>Resources Department Total FYE Savings</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cross Departmental Management Review</b>	(1,800)			
<b>TOTAL FYE SAVINGS</b>	<b>(3,668)</b>	<b>(629)</b>	<b>0</b>	<b>0</b>