

MUNICIPAL YEAR 2019/2020 REPORT NO. 189

MEETING TITLE AND DATE:

Cabinet
12th February 2020

REPORT OF:

Acting Executive Director
of Resources

Agenda – Part: 1

Item: 4

Subject: Revenue Monitoring 2019/20:
Quarter 3 (December 2019)

Wards: ALL

Key Decision No: 5086

Cabinet Member Consulted: Cllr Mary
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1. EXECUTIVE SUMMARY

- 1.1. This report sets out the Council's revenue budget monitoring position based on information to the end of December 2019.
- 1.2. After the application of capital receipts for transformation purposes of £3.2m; the revenue budget forecast reflects an outturn position of £5.6m overspend for 2019/20 which will be funded using the Council's reserves. This is an improvement of £0.1m on the £5.7m reported as at Quarter 2.
- 1.3. Since 2010, the Council has saved £178m; for 2019/20 a further £13.1m of savings and income were agreed which included £0.3m of income and £3.1m savings agreed from prior years. As time has progressed delivering these savings and additional income generation year on year continues to be challenging. Subject to substitute savings and management action being taken, prior year income totalling £1.7m is considered at risk of delivery.
- 1.4. The Dedicated Schools Grant is forecasting an outturn position of a deficit of £4.9m. With the £0.4m surplus brought forward from 2018/19, the cumulative forecast deficit at year end is £4.5m and will be the first call on the 2020/21 grant allocation and therefore reduce the funding available for next year.
- 1.5. The Housing Revenue Account is forecasting an underspend position of £0.1m for 2019/20 outturn.

2. RECOMMENDATIONS

2.1. Cabinet is recommended to note:

- i. The financial backdrop to the Council's budget position (described in paragraphs 3.1 to 3.12).
- ii. The £5.6m overspend revenue outturn projection and the use of £3.2m of capital receipts to support organisation transformation.
- iii. That Cabinet Members will continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2019/20 and implement savings.
- iv. £1.5m of the overspend in respect of the company Independence and Wellbeing Enfield Ltd (IWE) being met from contingency as set out in paragraph 5.14.
- v. The position of the Dedicated Schools Grant (DSG) as set out in paragraphs 5.62 to 5.66.
- vi. The position of the Housing Revenue Account (HRA) as set out in section 7.
- vii. The planned flexible use of capital receipts for 2019/20 remains unchanged from the reported quarter 2 update (paragraph 5.58 and Appendix I).

3. BACKGROUND

- 3.1. On 27 February 2019, the 2019/20 budget was set by Council. This budget was set in the challenging context of a reduction in core funding of £6.3m in 2019/20; following previous funding reductions of £93m since 2010.
- 3.2. New savings of £10.7m and new income generation plans of £2.4m were agreed for 2019/20. Savings and income proposals agreed from previous years to be delivered in 2019/20 totalled £3.4m, of which £3.1m relates to savings and £0.3m to income. As part of the aim to place the budget in a more resilient position, in 2019/20 £2.5m of growth was included to offset prior year budget pressures. However, there remained £4.2m of pressures from 2018/19 which officers continued to work to reduce, included in Appendix H, Savings and Income Monitor.
- 3.3. Enfield, reflecting the national picture, continues to experience rising cost pressures from Special Education Needs (SEN) transport, families with No Recourse to Public Funds, and cost and demographic pressures in social care as well as the ongoing risk associated with Temporary Accommodation. Over the last few years the adult social care precept and flexible homelessness grant have contributed in part to relieving these cost pressures.

- 3.4. Since 2013/14, Enfield has continued to lobby for fairer funding, with the current transitional arrangements resulting in a £11.6m embedded (damped) reduction in funding.
- 3.5. A 75% Business Rates Retention London Pilot Pool for 2019/20 was announced as part of the Local Government Finance Settlement in December 2018 and the budget includes the Council's membership of this within its assumptions.
- 3.6. Local authority financial management has become headline news since 2018/19 following events at Northamptonshire County Council, and more recently Somerset and East Sussex County Council. In the context of the economic climate and the cumulative impact of the sustained funding reductions since 2010, balancing the Council's budget remains a significant challenge.
- 3.7. As reported to Cabinet on 17 July 2019, in 2018/19 Council services overspent by £13.4m after £3.7m of flexible use of capital receipts and then offset by underspends of £9.0m in corporate expenses, and £1.2m additional government grants to give a net overspend of £3.2m. During 2018/19 the Council's risk reserves increased due to planned contributions to risk and smoothing reserves, whilst service specific reserves reduced.
- 3.8. In setting the budget for 2019/20 the corporate budgets were reviewed and where capacity was identified it has been utilised to address the significant pressures within service departments' budgets and this was reflected in the Budget Report for 2019/20.
- 3.9. Managing the Council's budget position continues to be a high-risk priority for the Council. The Council's revenue expenditure is monitored against budget by regular reports to the Executive Management Team and Cabinet. These reports provide a snapshot of the revenue position and implementation of savings for each department, the Council overall and provide details of any projected additional budget pressures and risks, or any significant underspends.
- 3.10. This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, variations in this report are limited to variances of at least £50,000 whether adverse or favourable, to provide a greater strategic focus.
- 3.11. The pressures outlined in this report are being taken into account in setting the 2020/21 Budget. The Provisional Local Government Finance Settlement published on 20th December 2019 was fully in line with the Chancellor's Spending Announcement of 4 September 2019. The settlement funding assessment will increase in line with September CPI at 1.7%, the first rise in ten years. Core spending power has increased by 6.3% nationally and 5.8% for Enfield. Other grants within Spending Power have been protected and there's a further Social Care grant which will benefit the Council £5.5m. It should be noted that this is a one year settlement, fair funding and the business rates reset are delayed and there will be no Business Rates

Pilot Pooling for 2020/21 although pooling on a non-pilot basis is still possible.

3.12. Given the pressures on the DSG detailed in section 5, there has been a 16% increase in the High Needs Block Funding for 2020/21.

3.13. The next report to Cabinet will be the 2019/20 Revenue Outturn report in July which will provide an update on the monitoring position based on information as at year end.

4.0 December 2019 Monitoring – General Fund

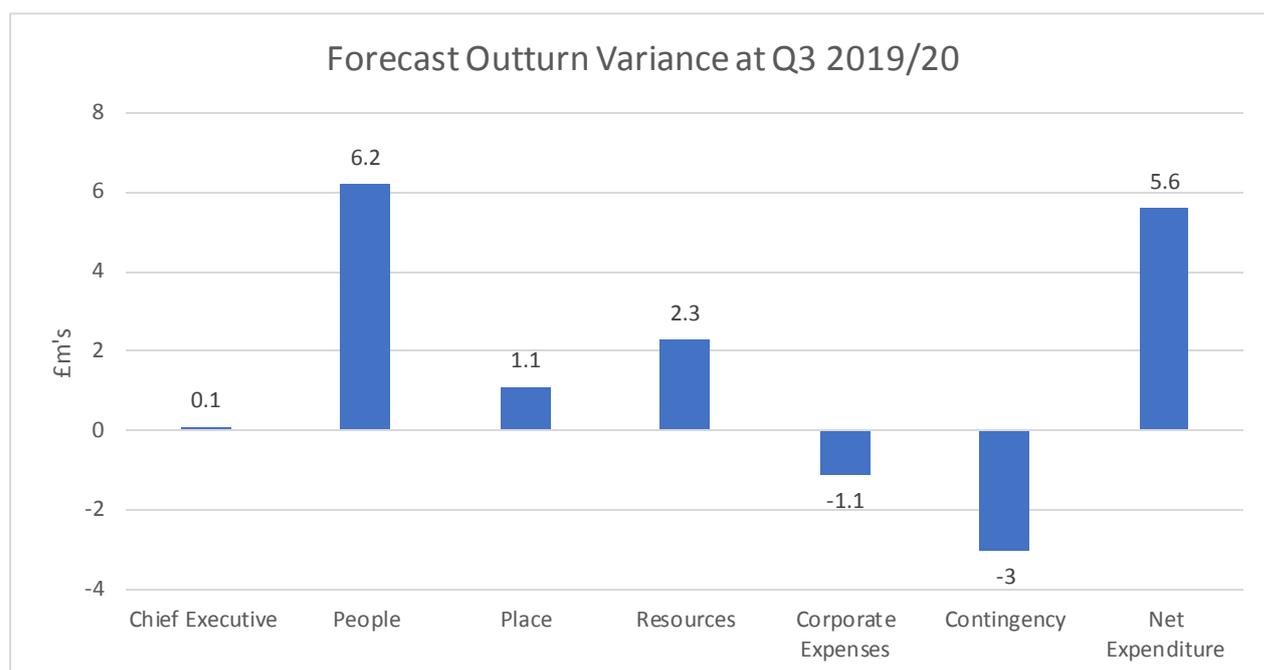
4.1 Each of the departments has generated a list of the key variances which are contributing to the projected outturn figures. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast overspends by implementing offsetting savings measures. All Executive Directors reporting overspends are working on mitigating actions for the current year and where pressures are ongoing these are also being worked up as part of the Medium Term Financial Plan (MTFP).

4.2 The forecast budget overspend is £5.6m; after the planned application of £3.2m capital receipts. Below is a summary of the projected outturn variances broken down between departments:

Table 1: Forecast Projected Departmental Outturn Variances

	Original Net Budget	Approved Changes	Current Net Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£m	£m	£m	£m	£m	£m
Chief Executive's	8.0	2.4	10.3	11.8	(1.4)	0.1
People	118.2	(4.3)	114.7	121.2	(0.3)	6.2
Place	25.5	10.7	36.1	37.8	(0.6)	1.1
Resources	39.4	(0.6)	38.2	41.4	(0.9)	2.3
Service Net Costs	191.1	8.2	199.3	212.2	(3.2)	9.7
Corporate Expenses	36.9	(8.2)	28.7	27.6	0.0	(1.1)
Contingency	3.0	0.0	3.0	0.0	0.0	(3.0)
Net Expenditure	231.0	(0.0)	231.0	239.8	(3.2)	5.6
Net Expenditure financed by:						
Business Rates	(97.6)	0.0	(97.6)	(97.6)	0.0	0.0
Collection Fund	(1.3)	0.0	(1.3)	(1.3)	0.0	0.0
Other non- ringed fenced Government Grants	(3.8)	0.0	(3.8)	(3.8)	0.0	0.0
Council Tax	(127.3)	0.0	(127.3)	(127.3)	0.0	0.0
Reserves	(1.0)	0.0	(1.0)	(1.0)	0.0	0.0
General Fund Corporate Financing	(231.0)	0.0	(231.0)	(231.0)	0.0	0.0
Total Under/Overspend	0.0	(0.0)	0.0	8.8	(3.2)	5.6

Chart 1: Forecast Projected Departmental Outturn Variances



4.3 Management actions are ongoing to continue to address these budget pressures. Management action taken to reduce costs includes reconvening the Pressures Challenge Board to review the most significant pressures being reported. The purpose of the sessions is to identify any further solutions to reduce the overspend in 2019/20 but also to identify whether there will be an ongoing pressure that will need to be considered in the 2020/21 budget setting process.

4.4 The overall forecast position has improved by £0.1m in the last quarter with the following being the main contributory reasons:

- Despite continuing pressure in Adult Social Care and Children's Social Care, the department has only seen a further increase of £0.1m.
- The provision of SEN transport has continued to experience demand pressures which has increased the forecast overspend by a further £0.5m, along with the fuel and inflation pressures previously reported.
- Delays in the Edmonton Cemetery expansion project has resulted in an increased overspend of £0.2m being forecast as at quarter 3
- An improvement of £0.7m is reported in IT though there is still a forecast £0.5m overspend due to difficulties in recruiting to vacant posts, slippage in the delivery of schemes aimed at delivering savings and a £0.3m prior year income generation proposal that is no longer considered achievable.

- 4.5 The forecast variance at the year-end will need to be met from a contribution from the Council's general reserves, though it is intended to keep this as low as possible.
- 4.6 There is a risk from an ongoing review of transactions being charged to capital that some of these may revert to revenue.
- 4.7 This report provides further information on the budget position as follows:
- Summary narrative for each service area in Section 5 and supported by Appendices B to F providing additional data and analysis
 - Monitoring information on the progress towards meeting agreed savings and income generation agreed
 - Update on DSG and HRA
 - The financial management key performance indicators set out in Appendix A.

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & MITIGATING ACTIONS

5.1. Chief Executive's Department (Appendix B)

- 5.2. The department is forecasting a £0.2m overspend on its net budget of £10.2m.
- 5.3. Electoral services are forecasting a £55,000 overspend due to costs associated with maternity cover and ICT software.
- 5.4. There is a forecast overspend on Legal services of £0.1m due to an increase in the number of children's related legal cases experienced over the last year and the additional disbursement costs associated with these cases.
- 5.5. Internal Audit have a forecast underspend of £0.1m. This has been created by one-off funding of the No Recourse to Public Funds Investigator post and underspends on salaries and running costs.
- 5.6. There are other immaterial variances reported which create a net overspend of £0.1m.
- 5.7. **Use of capital receipts:** It was agreed in the 2019/20 Budget Report that £1.4m will be used to fund the transformational element of the Procurement and Commissioning hub. During quarter 3 this service transferred to the Chief Executive's Department.
- 5.8. **People (Appendix C)**
- 5.9. The department is forecasting a £6.2m overspend on its net budget of £114.7m, which is an increase of £0.1m from the quarter 2 reported position.

5.10. **Adult Social Care (ASC)**

- 5.11. £3.7m of the overspend relates to Adult Social Care. Financial modelling was undertaken based on activity and cost of service trends in ASC as part of the 2019/20 budget setting process leading to an additional £6.0m being added to fund demographic and inflationary pressures. £1.0m in savings and £4.2m of Government funding were identified to contribute towards this budget growth. As reported in quarter 2 indications are that ASC continues to have significant pressures beyond those budgeted for and these have increased in the last quarter. These continue to relate to services for adults with Learning Disabilities and Older People. The quarter 3 forecasts indicate the pressure is circa £2.9m for 2019/20, an improvement of £0.1m on the quarter 2 forecast. The department continues to recognise the risk around continuing health care reviews, that the Clinical Commissioning Group (CCG) are undertaking and this could result in a further cost pressure to the Council.
- 5.12. A review of income from service users' contributions to care continues and will ensure that all financial assessments are carried out and income recorded and collected appropriately.
- 5.13. As reported in quarter 2 the Better Care Fund allocations for 2019/20 have been received and following negotiations with the CCG £0.5m was agreed and it is reflected in the forecast outturn.
- 5.14. Previously, IWE had managed in year budget pressures by holding vacant posts. A significant amount of work was done to re-baseline the IWE budgets, considering the increase in demand for services and a resultant need to fill all vacant posts to meet that demand. Re-baselining budgets to deliver a sustainable budget position created a £1.5m pressure to the Council, which was agreed in the Quarter 1 Revenue Monitoring Report to be managed from the Council's contingency fund for 2019/20. Current budget projections within IWE indicate that with the additional contingency funding, the services will deliver on budget this year. Ongoing provision to meet these costs has been made from 2020/21 within the Council's Medium Term Financial Plan.
- 5.15. **Education and Children's & Families**
- 5.16. In 2019/20, £3.5m was added to fund demographic and inflationary pressures with £1.3m in savings and £1.1m of Government funding being identified to contribute towards the growth. The total overspend forecast for these services has increased by £0.3m in the last quarter to a forecast £2.2m overspend.
- 5.17. Demand in Special Guardianship Allowances continues to grow and additional budget was allocated in the 2019/20 budget to reflect this. Current forecasts indicate that at current demand and due to delays in court orders there will be an underspend of £0.2m. However, this area continues to be considered high risk and a small change in demand could reverse this forecast position.
- 5.18. The in-house fostering allowances budget is forecasting a £0.5m

overspend and is as result of a significant increase in the number of friends and family carers and delays in court hearings for Special Guardianship Orders.

- 5.19. The External Childcare Placements are now forecast to be £0.6m overspent because of an increase in remand cases, high number of parent and child assessments and complex needs residential placements.
- 5.20. Unaccompanied Asylum Seeking Children (UASC) is forecasting a net £0.1m underspend where we are experiencing significant pressure in former UASC 18+ cases due to 27 unfunded cases where appeal rights have been exhausted. However, this is mitigated by a positive forecast in the UASC budget where additional Home Office funding has relieved the pressure on the budget.
- 5.21. An overspend of £0.5m is forecast across the Children in Need social work teams and Family Support Group service mainly due to the need to cover vacant posts and provide cover for maternity and sickness with agency staff.
- 5.22. The adoption service is forecasting a £0.1m overspend because of one off costs associated with the transition to the Regional Adoption Agency and difficulties finding local adoption placements leading to the need to use external adoption agencies which has a greater cost.
- 5.23. Unachievable savings of £0.6m generating additional income in the Schools Traded Services remains in the departmental budgets to be managed in 2019/20.
- 5.24. Children's Social Care are on a trajectory of continuous improvement with strong stable leadership in place. Services for looked after children, care leavers, fostering and adoption are good.
- 5.25. There has been an in-year investment of £0.4m to enable the Council to deliver the Ofsted improvement plan as reported to Cabinet in June which will be met from the Council's Risk Reserve for 2019/20 and will be considered as part of the MTFP for the longer term. This will sustain and assure good practice, achieve consistency by maintaining caseloads at a reasonable level, increase quality assurance processes and continue to deliver practice improvement and coaching interventions to targeted key staff.
- 5.26. Furthermore, moving from agency staffing to permanent staffing in Child Protection and Family Support will stabilise reasonable workloads and encourage social workers to stay in Enfield thus reducing staff turnover.
- 5.27. As per Ofsted recommendations, the investment will deliver improvement in the following areas:
 - decision making and quality of plans for children in need
 - the response to children missing from home
 - the response to children in private fostering

- providing health information for care leavers.
- 5.28. The above investment has resulted in significant practice improvement and quality assurance. However, Children's Social Care has been unable to keep caseloads at a reasonable level as demand has continued to rise in 2019/20. The increase in activity has been due to continued complex needs, ending of the Edge of Care service and significant practice changes within the service.
- 5.29. Further in-year investment was required and amounts to £0.1m in year which was agreed to be funded by the Risk Reserve. It is forecast that only £75,000 will be incurred in 2019/20 which is reflected in the forecast outturn. A permanent investment of £0.4m will be considered as part of the MTFP for the longer term.
- 5.30. The investment will increase the number of social workers creating a new team (six social workers) in the child protection service which will stabilise reasonable workloads and encourage social workers to stay in Enfield thus maintain the positive trend in reducing vacancies, agency workers and staff turnover.
- 5.31. **Use of capital receipts:** Included in the forecast is £0.3m relating to the Edge of Care transformation project. This project commissions a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision. It was agreed through the 2019/20 Budget Report that the cost of this project is funded through the Flexible Use of Capital Receipts.
- 5.32. **Housing Related Support**
- 5.33. The Housing Related Support scheme's (Supporting People) budget is forecast to overspend by £0.3m. Previous years highlighted a far greater problem where the pace of implementing a challenging decommissioning programme could not keep pace with the expected budget reductions. However, following the Pressures Challenge Board review of Housing Related Support undertaken in 2018/19, it was identified that the full year effect of the programme would reduce the pressure to £0.5m in 2019/20 and that further savings could reduce this by a further £0.3m. Therefore £0.3m was allocated in 2019/20 through the MTFP with the remaining £0.2m for the service to manage. It is now considered by the department that all recommissioning and decommissioning activity will be concluded by December 2019. £8m of savings will have been achieved in this area and reducing this area of activity and spend any further would create cost pressures elsewhere across Social Care and the wider Council.
- 5.34. Further details are provided in Appendix C.
- 5.35. **Place (Appendix D)**
- 5.36. The Place department is forecasting an overspend position of £1.1m on a net budget of £36.1m. This is an increase of £0.1m compared to the £1.0m reported in quarter 2.
- 5.37. The Passenger Transport (Home to School/SEN Service) continues to forecast a pressure for 2019/20 and this pressure has increased in the

last quarter. £2.0m was added to the budget for 2019/20 following the budget pressures review undertaken in setting the 2019/20 budget. The £2.0m was considered at the time sufficient to manage the then 2018/19 forecast overspend based on the quarter 3 numbers of children. However, by the final outturn the overspend had increased to £2.2m and the number of children transported has continued to grow during this financial year. This growth along with the loss of an external contractor going into administration, increasing fuel costs, inflationary pressures and the one-off cost of routing software licence is resulting in a £1.5m forecast overspend.

- 5.38. The forecast overspend relating to the Dry Recycling Contract and the budgeted income from the onward selling of the recycling materials has seen an unfavourable movement where the forecast has increased from £0.2m to £0.3m for quarter 3. This position has been fluctuating over the year due to decreasing commodity prices reducing the income generated from recyclable materials, of which the Council receives a share. There is also a slight increase in the levels of contamination in dry recycling material and corresponding increase in the number of rejected loads.
- 5.39. Strategic Property Services continue to report a £0.2m overspend due to the external costs of property assets valuations that was previously undertaken by an external contractor. This was funded by capacity created by a vacant post in previous years which is no longer available.
- 5.40. The pressures reported in quarter 2 relating to rent reviews of assets in the Operational Property portfolio remain unchanged. The first is for St. Andrews Court and resulted in an additional £0.1m for 2019/20. The second asset is Morson Road depot for which the rent review negotiations are continuing and the department has made a reasonable estimate to assist with year end budget planning.
- 5.41. However, Strategic Property Services are now forecasting an overall favourable variance of £0.4m because of improved income forecasts from Montagu Industrial Estate, Palace Gardens and other minor variances across Strategic Property Services, which are helping to mitigate the pressures noted in 5.39 and 5.40.
- 5.42. Meanwhile Use income relating to Meridian Water was agreed as part of the savings and income proposals for 2019/20. A £0.2m under achievement is currently forecast because the cost of security is eroding the total income generated which itself is subject to lease agreements.
- 5.43. An adverse variance of £0.3m is now being forecast in the Cemetery services because of delays in the delivery of the construction of the additional vaults due to severely wet ground conditions. These delays will result in the income from the Edmonton and Southgate Cemeteries Expansion projects being moved into next financial year 2020/21.
- 5.44. Though Housing General Fund services are not reporting a pressure

at the end of December (quarter 3) it should be noted that the challenging levels of demand continues to put pressure on the budget and this is predominantly being managed and mitigated by the progress of savings and income generating projects agreed in the 2019/20 budget. In addition, £3.0m is forecast to be applied from the total £7.1m received for the Flexible Homelessness Support Grant.

- 5.45. The Private Sector Licensing scheme was approved by Cabinet on the 22nd January 2020. The implementation costs will span across both 2019/20 and 2020/21, with £0.4m being forecast to be incurred this financial year. These costs will be met by reserves this financial year which will then be replenished via the licencing fees once the scheme is operational.
- 5.46. These are the most significant variances and several areas are forecasting a favourable variance. Further details are provided in Appendix D.
- 5.47. **Use of capital receipts:** There are no changes to the two items relating to Place projects. It was agreed that both the revenue and capital mobilisation costs associated with implementing the new waste changes would be funded from the Flexible Use of Capital receipts. The revenue element being £0.6m and reflected in this report. A more minor overspend of £30,000 relates to April and May 2019 of the EDGE transport contract. In previous years this has been funded by the flexible use of capital receipts and this is proposed to continue for 2019/20.
- 5.48. **Resources (Appendix E)**
- 5.49. The Resources department is forecasting an overspend of £2.3m on a net budget of £38.2m after the planned use of capital receipts is applied to fund transformational related expenditure. The represents a decrease of £0.4m from quarter 2.
- 5.50. The forecast variance for ICT is the most significant at £1.0m although it has decreased £0.6m during quarter 3.
- 5.51. ICT services are forecasting a £0.3m overspend due to unachievable income generation from commercialisation of network assets. A £0.2m overspend is forecast due to ongoing difficulties in recruiting staff to vacant posts leading to a continuing reliance on more expensive work packages and short term contracting. This is £0.1m improvement from quarter 2.
- 5.52. The ICT contracts budget has pressures of £0.5m, expected to be funded by capital receipts, due to remedial work for unplanned additional security requirements and contractual inflationary pressures and this is a £0.6m improvement on quarter 2.
- 5.53. A pressure of £0.6m continues to be reported in Procurement and this relates to Council wide savings agreed in 2018/19. Whilst savings have been achieved, this pressure represents the balance where it has not been possible to allocate to specific procurement activity. This pressure has been proposed to be resolved in the MTFP for

2020/21.

- 5.54. The forecast overspend of £0.5m relating to the cost of former employees, specifically the capital cost of early retirement, has not changed in quarter 3. This cost is to be met by the General Fund over 5 years and though significant in 2019/20, assuming no further additions, this pressure will reduce to circa £0.2m in 2020/21.
- 5.55. The Schools Catering services continue to forecast an overspend of £0.3m for 2019/20. There is a new entrant in the school catering market, and the service have experienced a reduction in the schools purchasing the Council's service.
- 5.56. **Use of capital receipts:** The Transformation team are restructuring and dependent on the timing of recruitment and based on projects supported, a short term call on further capital receipts will be required in 2019/20 and is likely to continue into 2020/21, estimated to be circa £0.4m. IT related transformational activities of £0.5m were added in quarter 2 and reflect the work required to implement IT projects which aim to achieve savings within the service such as the infrastructure project.
- 5.57. **Corporate Items (Including Contingency & Contingent Items) General Fund**
- 5.58. Corporate items include funding set aside in the budget for pay awards and inflation. Funding for other corporate pressures is held in the contingent items budget to be allocated out during the year. Other corporate items include levy payments and treasury management costs, which are made up of interest payments on council borrowing and receipts on investments. The Council maintains a general budget contingency of £3.0m. This will be used to offset the IWE overspend in 2019/20 on a one-off basis with the pressure being addressed through the MTFP in the longer term. At this stage in the year there is also a £1.1m forecast underspend in the levies and contingent items budgets.
- 5.59. **Proposed Flexible Use of Capital Receipts (Appendix I)**
- 5.60. With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise capital receipts for revenue purposes. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services, and/or transform service delivery to reduce costs or demand for services in future years for any of the public sector delivery partners. £3.256m is forecast to be applied in 2019/20 of which £1.8m was agreed in the Council Budget report for 2019/20 to fund the Procurement & Commissioning co-managed service and Edge of Care Contract. Since the Budget Report four further items listed in the table below have been proposed to be funded by the flexible use of capital receipts but will require Council approval. The table below illustrates where the funding is to be applied:

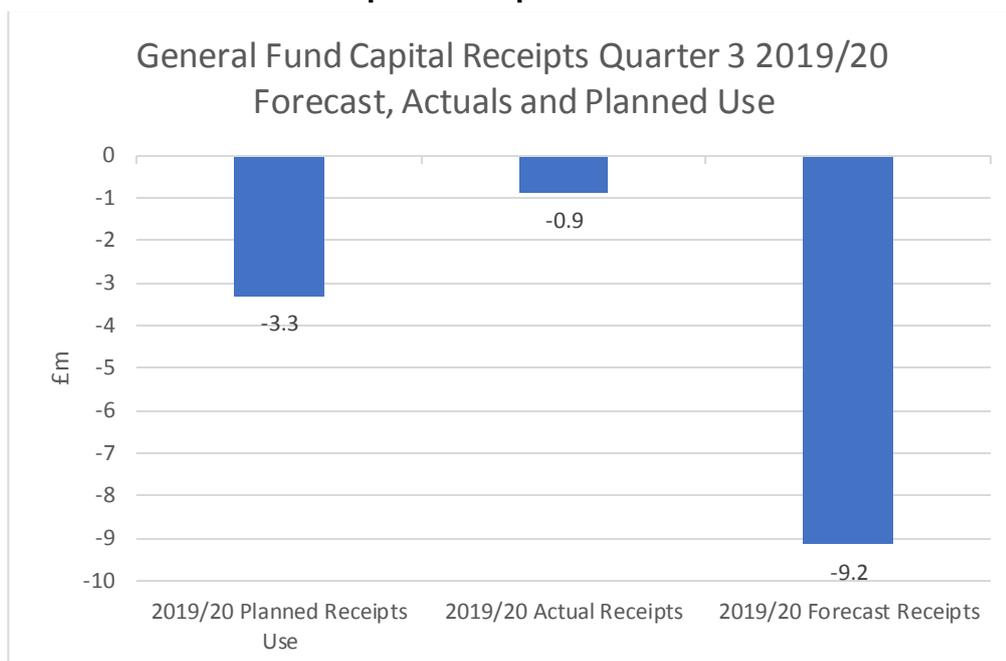
5.61. **Table 2: Planned and Proposed Flexible Use of Capital Receipts**

Service Area	£m
Edge of Care (Children's)	0.320
Procurement & Commissioning co-managed service	1.457
Transformation Team	0.377
EDGE transport contract	0.030
Mobilisation costs associated with the implementation of waste service changes	0.572
IT	0.500
Total	3.256

5.62. The Government has extended this flexibility in use of capital receipts until 2021/22. However, the Council is mindful of over reliance on and sustainability of this one-off funding. The EDGE contract, Edge of Care and co-managed procurement and commissioning arrangements are time limited costs. However, the Council's ongoing investment in transformation and ICT indicates that longer term solutions to fund these pressures will be needed in future years.

5.63. A total of £9.2m general fund capital receipts are forecast to be received in 2019/20 which could be applied to fund revenue expenditure in line with the government directive. As at quarter 3 £0.9m of these receipts have been received. The remaining receipts will be generated from the sale of a few, high value assets in quarter 4. There is a risk to delivery of capital receipts to be applied in 2019/20 if any of these sales are delayed.

Chart 2: General Fund Capital Receipts 2019/20



5.64. Dedicated Schools Grant (DSG) Budgets (Appendix F)

- 5.65. For 2019/20 Enfield received a total Dedicated Schools Grant allocation of £334.6m and the funding is allocated across four blocks; £259m for the Schools Block, £2.9m for the Central Schools Services Block, £25.4m for Early Years and £47.3m for the High Needs Block.
- 5.66. During 2018/19, due to receipt of additional High Needs funding and underspends on the Schools and Early Years Blocks, there was a net underspend which resulted in a net DSG surplus of £0.4m brought forward to 2019/20. This was expected to be a short term position as the budget setting process had already highlighted pressures in several high needs budgets that were likely to result in overspends. There continues to be cost pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are placed in borough to manage this pressure. There are plans in place to develop additional provision in the borough over the next 3 year period which will help to reduce costs.
- 5.67. The in-year forecast outturn position is a deficit of £4.9m. This is due to a projected overspend of £5.4m in the High Needs Block offset by an underspend of £0.5m in the Schools Block due to reduced rates liability for schools converting to academies and projected underspends in the growth fund and school appeals service. The main pressures in the High Needs Block relate to increased costs for out of borough placements due to additional pupils, full year effects of pupils starting in 2018/19 and the Education budget picking up the full cost of complex care pupils who have turned 18 which was previously split between Education, Health and Social Care. Since quarter 2 further pressures have emerged in the number of post 16 students attending college with high needs support, an additional 55 places created at West Lea Special School and additional staffing in both the SEN and Education Psychology services required to meet increasing levels of demand. The 2018/19 budget included some contingency within the out of borough placements budget, but this was not possible in 2019/20, due to budget constraints, so any additional costs immediately result in overspends.
- 5.68. The cumulative forecast deficit at year end is £4.5m which will be the first call on the 2020/21 grant allocation and therefore reduce the funding available for next year. The Government has recently announced DSG allocations for 2020/21 which included an increase of £7.5m for the High Needs block and although this is welcomed, increasing levels of demand and the full year impact of this year's new placements will mean that the DSG will continue to experience financial pressure.

6. ACHIEVEMENT OF SAVINGS (Appendix G)

- 6.1. A risk-based approach to the monitoring of savings is undertaken as part of the monthly budget monitoring, where a score is given in

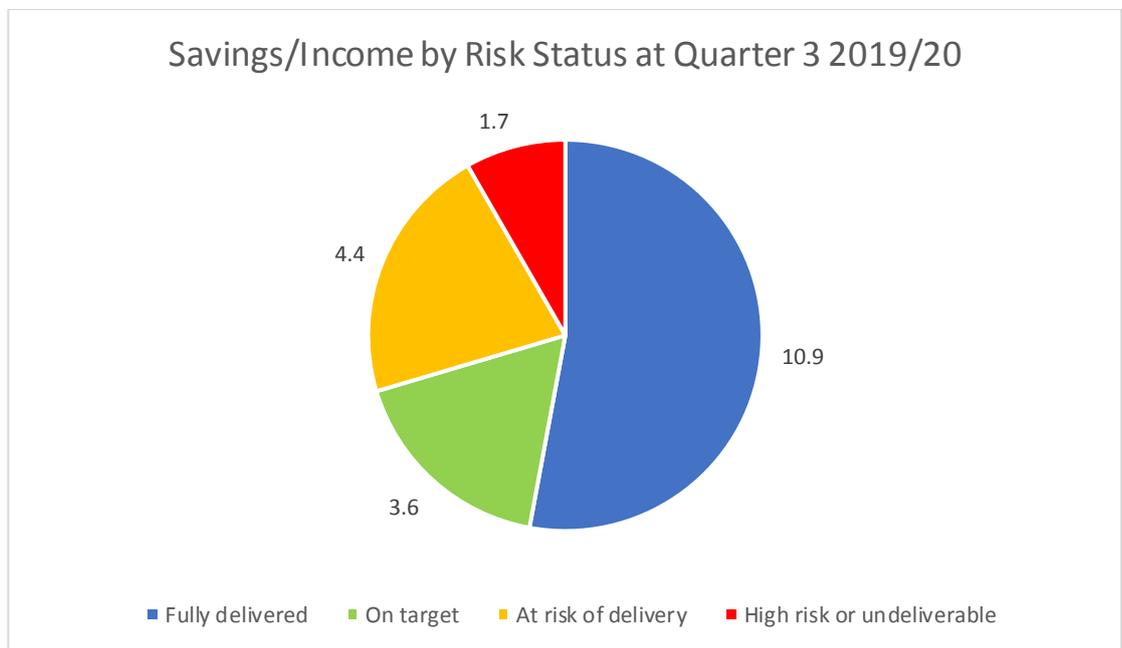
relation the value of saving or income and the likelihood of delivery, these are then multiplied together and the total score provides the following risk ratings:

- 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

6.2. The savings include those that are new for 2019/20 plus the full year effect of previous decisions and savings/ income from prior years that continue to have an adverse impact on the current year budget. These historic items were considered in the budget setting process for 2019/20 when it was decided that they will remain with the service departments to be managed during this financial year. Where these items continue to cause a pressure that can't be managed within departments, they will be addressed in the 2020/21 budget setting process along with new emerging pressures.

6.3. Of the £20.6m departmental savings, £14.5m is expected to be fully delivered at this stage. This consists of £10.9m which have been fully achieved and a further £3.6m which are on track for delivery. This includes £3.4m of corporate savings that are expected to be fully delivered.

Chart 3: Savings/Income Risk Status 2019/20



6.4. However, £4.4m and £1.7m are amber or red risk status. These risk ratings are reflected in the forecast outturns for each department and form part of the reasons for variances as described in the narrative above. The savings rated as red relate to income generation, from Schools Traded services, the expansion of Edmonton Cemetery and

the commercialisation of IT. There are also unachievable savings for the Procurement service which were historically agreed.

- 6.5. Further details for each department are summarised in the charts and tables in Appendix H.

7. HOUSING REVENUE ACCOUNT (HRA)

- 7.1. The HRA projection for quarter 3 shows a forecasted £0.1m underspend for 2019/20.
- 7.2. Savings have been identified in the Tenancy Management and Sheltered Housing teams of £0.1m each due to vacancies within these teams.
- 7.3. The Repairs and Maintenance budget is now reporting to be on budget whereas it was forecasting an underspend of £0.1m at quarter 2. There has been a requirement to complete additional electrical testing works, but these costs have been offset by a reduction in void costs due to fewer properties requiring these works. The implementation of in-sourcing the responsive repairs service this year is expected to be within agreed budget levels.
- 7.4. The estimated void rate for 2019/20 for rents from shops, garages and community halls was expected to be 60% whilst current projections show that the void rate is now 74%. The increase in void rate has reduced the level of income expected to be received this year by £0.2m, however vacant shops have been re-let resulting in £31,000 of additional income.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1. Not applicable to this report.

9. REASONS FOR RECOMMENDATIONS

- 9.1. To ensure that Members are aware of the projected budgetary position, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.

10. COMMENTS OF OTHER DEPARTMENTS

10.1. Financial Implications

- 10.1.1. It is imperative to continue to keep under review the financial position of the Council. The revenue monitoring is a key part of this review process. There is further work to be done to ensure a budget can be set within available resources.
- 10.1.2. Management of this financial year's position, and the long-term sustainability of the Council's finances (as expressed in the budget and MTFP) will require ongoing focus and effort by officers and councillors. The corporate failure of Northamptonshire County Council acts as a reminder for all local authorities of the need to continue to manage their finances tightly, and to make sometimes difficult decisions despite the prevailing circumstances of sustained reductions in funding since 2010, the uncertainty created by Brexit,

and growth pressures in many areas.

10.2. **Legal Implications**

10.2.1. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

10.3. **Property Implications**

10.3.1. Not applicable in this report.

11. **KEY RISKS**

11.1. There are several general risks to the Council being able to match expenditure with resources this financial year and over the MTFP:

- Achievement of challenging savings targets
- Brexit and the state of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt
- Impact of a fall in the pound on inflation and pay
- Demand-led service pressures, particularly in Adult Social Care and Child Protection
- Potential adjustments which may arise from the audit of various grant claims
- Movement in interest rates

11.2. Risks associated with specific services are mentioned elsewhere in this report.

12. **IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

Good homes in well-connected neighbourhoods

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

Sustain strong and healthy communities

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

Build our local economy to create a thriving place

Effective financial management provides the basis for the Council to

achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

13. EQUALITIES IMPACT IMPLICATIONS

- 13.1. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.
- 13.2. The Council does not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.
- 13.3. Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

14. PERFORMANCE MANAGEMENT IMPLICATIONS

- 14.1. The report considers the financial impact of changes arising from reduced funding. The projections and future pressures on the budget are viewed with due consideration of financial management and the most efficient use of resources.

15. HEALTH AND SAFETY IMPLICATIONS

- 15.1. Not applicable in this report.

15.2. HUMAN RESOURCES IMPLICATIONS

- 15.3. Not applicable in this report.

16. PUBLIC HEALTH IMPLICATIONS

- 16.1. The Council's budget continues to contribute towards public health outcomes throughout the borough, through the £16.8m Public Health grant as well as through services provided within the Councils general fund budget.

Background Papers

None

Financial Resilience Key Performance Indicators

A summary overview of financial performance is outlined below in Table 3. This dashboard summary captures the key messages across the Council's main financial areas:

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

Table 3: Summary performance overview

Financial Indicator	Status @ Q2	Key Highlights
Income & Expenditure Position – General Fund year end forecast variances		Year-end variances of £5.6m overspend have been forecast to date in relation to General Fund net controllable expenditure. Departments are developing actions to mitigate the pressure to offset identified pressures.
Progress to Achieving Savings MTFP (current year)		Savings monitoring has identified a total of £1.7m considered a high risk rated/ undeliverable and a further £4.4m that are at risk of delivery. These are reflected in the reported overspend for quarter 3 2019/20.
Income & Expenditure Position – HRA		The HRA is projecting a £0.1m underspend position at year-end outturn.
Income & Expenditure Position – DSG		The DSG is forecasting a £4.8m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £4.4m and will be the first call on the 2020/21 grant allocation.
Cash Investments; Borrowing & Cash Flow		The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return.
Balance Sheet - General Fund balances year end projections		The outturn projection for General Fund balances will meet the Council's Medium Term Financial Plan target based on the use of uncommitted reserves to meet one-off overspends in 2019/20.

Appendix B

Chief Executives	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
Electoral Services Overspend forecast due to costs of maternity cover and ICT software	543	598	0	55
Legal Services There is a net adverse variance due to an increase in the number of children's related legal cases experienced over the last year and the additional disbursement costs associated with these cases.	2,688	2,797	0	109
Internal Audit Underspend due to one off funding of NRPF Investigator post & underspend in running costs and salaries	1,104	960	0	(144)
Other minor variances less than £50,000 The forecast outturn includes agreement to fund the cost of the EY Contract from flexible use of capital receipts as reported in the 2019/20 Budget Report, this has a net nil budget effect.	5,912	7,502	1,457	133
Chief Executive's Department Total	10,247	11,857	1,457	153

Appendix C

People	Current Budget £000	Forecast Outturn £000	Flexible Use of Capital Receipts £000	Forecast Variance £000
Adult Social Care Key assumptions within the forecast are based on projected activity and year to year trends. In future years there is an increased budget pressures due to demographic pressures, provider cost pressures and a growing demand for social care services.				
Strategy & Resources These services include, grants to voluntary organisations, Safeguarding and Service Development. The projected underspend is within Safeguarding Adults, deprivation of liberty safeguards (dols) where more efficient use of existing resources has delivered an underspend this year. however, with an increasing number of dols year on year, this will support delivery of more activity within existing resources.	4,599	4,773	0	(95)
Mental Health The service is currently projecting a zero variance.	5,952	5,9520	0	0
Learning Disabilities The service continues to project an overspend position because of managing demand led services. Savings will continue to be made in year however, demand for services continues to rise because of demographics.	21,445	23,272	0	1,802
Older People and Physical Disabilities (the Customer Pathway) The service is projecting care purchasing overspends due to demand led services, within residential and community based services. Substantial savings have been made in year however, demand for services continues to rise because of demographics.	29,581	30,662	0	1,081

People	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
<p>IWE</p> <p>This includes the management fee to IWE plus client income at Bridgewood House. IWE continue to experience significant cost pressures which is forecast to lead to a £1.5m overspend, due to increasing demand and the company being the Council's provider of last resort. This has resulted in increased staffing needs at Bridgewood and elsewhere. The breakdown of the overspend is:</p> <ul style="list-style-type: none"> • Staffing costs of running Bridgewood - £1.0m • Company Management staffing costs - £0.3m • Other staffing costs i.e. pay award, enhanced pay - £0.4m • There is also an over achievement of income of £0.2m <p>The above overspend total of £1.5m will continued to be monitored closely in the current financial year.</p>	10,668	12,218	0	1,500
<p>Better Care Fund (BCF)</p> <p>Additional BCF monies agreed with the CCG</p>	0	(548)	0	(548)
Adult Social Care Sub total	73,083	76,329	0	3,740
<p>Public Health</p> <p>The Departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2019/20 is now £16.4m, this reflects a reduction in grant of £0.4m. There is a risk that demand led sexual health services could result in additional pressures.</p>	(4,423)	0	0	0
Public Health Sub total	(4,423)	0	0	0
<p>Housing Related Support</p> <p>All recommissioning/ decommissioning activity will be concluded by December 2019. £8m of savings will have been achieved in</p>	2,469	2,726	0	257

People	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
this area. Reducing this area of activity and spend any further would create cost pressures elsewhere across Social Care and the wider Council				
Housing Related Support Sub total	2,469	2,726	0	257
Education				
Enhanced Pensions Projected underspend on enhanced pension budgets based on current monthly trend	1,942	1,863	0	(79)
Traded Services Traded Services additional income targets for 2017/18 (£0.2m and 2018/19 (£0.4m) will not be achieved due to contraction of school budgets. This was partly managed in the 2019/20 budget setting process but remained with services to manage in year.	(615)	615	0	615
Other Minor Education Variances	3,740	3,747	0	0
Education Sub Total	5,067	6,225	0	536
Children's & Families				
Children In Need – Social Work team The forecast overspend is due to agency staff covering vacant posts and providing maternity cover within the service.	3,732	3,903	0	171
Children In Need – Family Support Group The forecast overspend is due to agency staff covering for sickness and vacant posts and concluding of HR process.	2,205	2,576	0	371
Special Guardianship Allowances The area received a growth of £0.7m in the 2018/19 budget and £0.7m this year. Since April 2019 22 SGOs have been granted and projection includes 37 planned SGO cases (approximately a 30% increase on 2018/19). Underspend is due to delays in Court hearings for Special Guardianship Orders.	2,337	2,137	0	(200)

People	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
In House Fostering Allowances The area is overspent mainly due to a significant increase in the number of Friends and Family carers and rate increase for second child placement and delays in Court hearings for Special Guardianship Orders.	2,395	2,944	0	549
Adoption Overspend is mainly due to inter-agency fees and Regional Adoption Agency pressures.	1,413	1,510	0	97
Support costs for Looked After Children (excluding accommodation costs) Previous indications were that this was an area of declining activity however, demand for the service has increased during 2019/20.	348	423	0	75
UASC Underspend is due to the Home Office funding exceeding the cost.	279	(419)	0	(698)
Former UASC 18+ Overspend due to the unfunded clients (appeal rights exhausted).	719	1,334	0	615
Assistant Director - Children's Division Overspend is due to high recruitment cost and agency staff working on OFSTED improvement.	(420)	(175)	0	245
Prevention of Care Section 17 Underspend due to decreased demand.	743	668	0	(75)
Community Safety Underspend is due to the recently awarded Young Londoners Fund covering many of the projects and the Home Office funding several posts.	1,306	1,150	0	(156)
External Child Care Placements The area received a growth of £1.0m in 2019/20 and, based on information currently available, the area is projected to be overspent due to six secure remand cases and parent & child assessment placements.	6,090	6,728	0	638

People	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
Edge of Care As agreed in the 2019/20 Budget Report the Edge of Care costs will be funded from the flexible use of capital receipts. The forecast includes the contract costs plus £80,0000 payment by results payment for the first cohort.	0	320	320	0
Other Children's & Families Minor Variance	17,371	17,414	0	43
Children's & Families Sub total	38,518	40,517	320	1,679
People Total	114,713	6,380	320	6,212

Appendix D

Place	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
Development Management Favourable variance is forecast due to: Salary underspend, (vacant posts awaiting recruitment), additional income from PPA, Planning Fees, Proceeds of Crime Act, offset by building control income shortfall.	988	671	0	(317)
Strategic Planning & Design Favourable variance due to: 1) Salary under spend 2) Local Plan budget under spend 3) Additional CIL (community infrastructure Levy) 4) Design Panel Income	709	459	0	(250)
Traffic & Transportation Favourable variance, due to additional income from applications for Traffic Orders (such as increased utility works).	(178)	(298)	0	(120)
Parking Services Favourable variance due to increased receipts from traffic controlling measures.	(4,877)	(5,207)	0	(330)
Regulatory Services Favourable variance, due to operational efficiencies/income.	2,215	2,115	0	(100)
Health and Safety Team A favourable variance is forecast due to staffing under spend created by vacant posts.	485	365	0	(120)
Cemeteries An adverse variance due to income shortfall for 2019/20 from the Edmonton and Southgate Cemeteries Expansion projects, which is due to delays in the project delivery programme income will be moved to 2020/21 financial year.	(1,305)	(1,034)	0	271
Waste Operations and Waste Client The adverse variance is mainly due to the continued increased costs for Dry Recycling contract with Biffa - Commodity prices values have reduced negatively impacting on the income expected from onward selling of	8,191	9,069	572	306

Place	Current	Forecast	Flexible	Forecast
materials, rejections were slightly increased and increase in contamination levels.				
Passenger Transport Service (Home to School/SEN) The variance is due to: - <ol style="list-style-type: none"> 1) £0.9m of the cost pressure is directly attributable to increase in demand. From April 2018/19 to Nov 2019/20 the total number of out of Borough, in Borough and PTB placements have gone up by 160, 25 and 3 respectively. 2) Historical SEN budget gap; circa £0.2m. 3) Fuel cost increase is estimated at £33,000. 4) RPI (Annual Contractual Inflation Uplift) £50,000. 5) One off IT Costs (Mission Routing Software Year Licence) £30,000. 6) Other cost increases of £0.2m 	6,424	7,874	0	1,450
Strategic Property Services (SPS) Although there is an overall favourable variance due to improved income from Montagu Industrial Estate, Palace Gardens and other minor variances across Strategic Property Services, the service also continues to forecast adverse variance due to <ol style="list-style-type: none"> 1) The external costs of property assets valuation (capital accounting) and this has been proposed to be added into the budget for 2020/21 2) Projected variance due to the rent reviews for Morson Road Depot and St. Andrews Court. The Council is currently negotiating the rent review for Morson Road however the outcome represents a significant budget risk but has yet to be concluded yet, whilst 	(3,493)	(3,593)	0	(100)

Place	Current	Forecast	Flexible	Forecast
the St. Andrews review has been agreed at £120k and reflects the overspend reported in Q3.				
Corporate Maintenance & Construction Services Favourable variance, due to salary under spend.	(573)	(648)	0	(75)
Sustainability Team Underspend is due to vacant posts.	524	434	0	(90)
Leisure & Culture Services Forecast adverse variance which is mainly due to salary overspend and shortfall in income.	77	277	0	200
Economic Development The favourable variance is due to vacant posts and staff recharges to Regeneration capital schemes and Housing Estates.	500	225	0	(275)
Meridian Water Meanwhile Use Income The overspend is due to security costs, eroding the income projections. Estimated income for 2019/20. But is subject to lease agreements.	(1,440)	(1,198)	0	242
Trespass & Enforcement actions on Council land Forecast expenditure is 94k and will be funded from reserves. Future years provision is proposed to be added to the budget in the MTFP	0	94	0	94
Private Sector Licensing Scheme Implementation costs of the scheme to be incurred in 2019/20. These will be recovered from the licensing fees once scheme is operational in 2020/21.	0	417	0	417
Other Minor variances below £50,000 £30,000 required to fund Edge Contract costs for April and May 2019	27,896	27,819	30	(107)
Place Total	36,143	37,841	602	1,096

Resources	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
<p>Cost of former Employees</p> <p>All costs of former employees have now been centralised from across the Resources Department, whereas these would previously have caused smaller pressures within each of the services budget. The pressure is due to the capital cost of early retirement, whilst in year redundancy costs will be funded from the Corporate Redundancy reserve.</p>	706	1,194	0	488
<p>Income & Collection</p> <p>There is a forecast overspend due to staffing costs. The service is looking at options to increase service income to help mitigate the current pressure.</p>	(707)	(468)	0	239
<p>Procurement & Commissioning</p> <p>Previously agreed Council wide procurement savings targets that were unallocated to specific services are creating a pressure and these are proposed to be resolved in the MTFP for 2020/21.</p>	64	676	0	612
<p>Catering Service</p> <p>The forecast overspend is because of some schools no longer buying into the service.</p>	(173)	101	0	274
<p>ICT & Transformation</p> <p>Although the transformation team are not forecasting a variance, a restructure of the team was agreed to be part funded by the flexible use of capital receipts reflecting the transformational activities undertaken by the team. This was originally estimated at £0.2m but will depend on recruitment and the level of project activity and this requirement has now increased to £0.4m.</p> <p>ICT services are forecasting an overspend as at quarter 3 due to:</p>	12,211	13,543	877	455

Resources	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
<ul style="list-style-type: none"> • £0.3m relating to income associated with commercialising Network assets is not considered unachievable • £0.2m caused by difficulties in recruiting to vacant posts, following four recruitment cycles, this has led to the continued reliance on more expensive work packages or via short term contracting of a data protection service. • £0.5m IT contracts budget pressures due to remedial work for unplanned additional security requirements, as well as contractual inflationary pressures are expected to be funded by capital receipts, 				
<p>Knowledge and Insights Hub</p> <p>One-off underspend due to vacant posts in year and capitalisation of PowerBI consultancy costs.</p>	1,521	1,419	0	(102)
<p>Exchequer Services</p> <p>Additional income generation in year</p>	1,050	968	0	(82)
<p>Finance</p> <p>Forecast overspend due to</p> <ul style="list-style-type: none"> • Recruitment costs • Additional resources brought in for capital asset accounting and closedown of accounts • Grant Thornton financial foresight and KPMG review of financial models • IWE VAT review • Revisions to Assets (PPE) configuration in SAP, additional resources to support the IT service 	3,217	3,551	0	334

Resources	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
Financial Assessments Overspend projected due to <ul style="list-style-type: none"> Fixed term appointments extended whilst wait for ICT functionality and increased demand for ASC financial assessment support during transition of new structure and systems £0.3m reduction in DWP grant funding allocated since last year 	14,234	14,381	0	147
Libraries Underspend due to overachievement of income and reduced spend on furniture and library resources.	2,627	2,487	0	(140)
Customer Operations Projected overspend due to increased demand resulting from Council projects and campaigns and increased costs from an existing contract.	2,447	2,606	0	159
Commercial Underspend due to part year Commercial Director vacancy and recharge income for work on capital projects.	1,077	984	0	(93)
Other minor variances below £50,000	(84)	(84)	0	0
Resources Total	38,190	41,358	877	2,291

Dedicated Schools Grant 2019/20	Budget Variation £000
<p>High Needs Block Forecast overspend is due to:</p> <ul style="list-style-type: none"> • Increased cost of out borough placements because of additional pupil numbers • Full year effect of pupils starting in 2018/19 • Education service picking up the full cost of complex care pupils who have turned 18 (costs previously split with Health and Children's Social Care). • Additional 55 places provided at West Lea Special School • Post 16 students attending college and required high needs support. • Additional staffing required in Special Education Needs and Educational Psychology Service teams to meet increased levels of demand. 	5,408
<p>Schools Block Underspend is due to reduced rates liability for schools converting to academies and forecasted underspends in the growth fund and Appeals service.</p>	(538)
DSG Net Total Variance	4,870

Table 4: Savings by Department

Savings	CEx	People	Place	Resources	Corporate	Grand Total
FYE	(327)	(945)	(1,172)	(177)	(500)	(3,120)
New 2019/20	(556)	(3,178)	(3,056)	(120)	(2,944)	(9,854)
Previous years		(250)		(1,530)		(1,780)
Savings Total	(883)	(4,373)	(4,228)	(1,827)	(3,444)	(14,754)

Table 5: Income by Department

Income	CEx	People	Place	Resources	Corporate	Grand Total
FYE			(250)			(250)
New 2019/20	(247)	(225)	(2,257)	(498)		(3,227)
Previous years		(897)	(1,050)	(450)		(2,397)
Income Total	(247)	(1,122)	(3,557)	(948)		(5,874)

Table 6: Total Savings & Income by Department

Total	CEx	People	Place	Resources	Corporate	Grand Total
FYE	(327)	(945)	(1,422)	(177)	(500)	(3,370)
New 2019/20	(803)	(3,403)	(5,313)	(618)	(2,944)	(13,081)
Previous years	0	(1,147)	(1,050)	(1,980)	0	(4,177)
Total	(1,130)	(5,495)	(7,785)	(2,775)	(3,444)	(20,628)

Table 7: Risk Status of Total Savings & Income by Department

Total	CEx	People	Place	Resources	Corporate	Grand Total
Blue	(464)	(2,248)	(4,888)	(325)	(2,944)	(10,869)
Green	(665)	(1,611)	(390)	(427)	(500)	(3,593)
Amber	0	(1,043)	(2,203)	(1,193)	0	(4,439)
Red	0	(593)	(304)	(830)	0	(1,727)
Total	(1,129)	(5,495)	(7,785)	(2,775)	(3,444)	(20,628)

Savings and Income Monitor 2019/20

Appendix H

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
CEx	CEx	New 2019/20	Savings	Voluntary & Community Sector Commissioning	0.0		(200)
CEx	CEx	New 2019/20	Savings	Communications - reduced production of 'Enjoy Enfield'	0.0		(100)
CEx	CEx	New 2019/20	Savings	Communications: Meridian Water media and marketing support	0.0		(84)
CEx	CEx	New 2019/20	Savings	Communications - 'Our Enfield' becoming digital	0.0		(80)
CEx	CEx	New 2019/20	Savings	Internal Audit - move to shared management function with a neighbouring borough	1.5		(50)
CEx	CEx	New 2019/20	Income	Review of Recharges to HRA - CEX Service Centres	1.5		(47)
CEx	CEx	New 2019/20	Savings	Internal Audit - replace bought in provision with in-house	1.5		(42)
CEx	CEx	New 2019/20	Income	Legal Team - increased recharges to HRA and capital projects	2.5		(200)
CEx	CEx	FYE	Savings	Organisational Review Savings	3.5		(327)
CEx Total						0	(1,129)

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Corporate	Corporate	New 2019/20	Savings	Reduce Interest Budgets	0.0		(1,744)
Corporate	Corporate	New 2019/20	Savings	Corporate Budgets - reduce interest charges budget	0.0		(1,200)
Corporate	Corporate	FYE	Savings	Reduction in TA contingency	3.5		(500)
Corporate Total						0	(3,444)

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
People	ASC	New 2019/20	Income	Increased Income from Fees and Charges	0.0		(150)
People	ASC	New 2019/20	Savings	Reduction in funding to Voluntary and Community Sector	0.0		(100)
People	ASC	New 2019/20	Savings	Assistive Technology	0.0		(50)
People	ASC	New 2019/20	Savings	Direct Payments - moving service users to e-cards	1.5		(50)
People	ASC	New 2019/20	Savings	Healthcare reviews	1.5		(50)
People	ASC	New 2019/20	Savings	Reduction in placements from hospital	1.5		(37)
People	ASC	FYE	Savings	Organisational Review Savings	2.5		(250)
People	ASC	New 2019/20	Savings	Physical Disability Clients - provision of adapted accommodation	2.5		(105)
People	ASC	New 2019/20	Savings	Reardon Court - Extra Care	3.0		0
People	ASC	New 2019/20	Savings	Contract management - management of annual contract uplift to service providers	3.5		(450)
People	ASC	Previous years	Savings	Housing Related Support - Supporting People	7.5	(250)	0
People	ASC	Previous years	Income	Additional income (Attendance Allowance)	7.5	(250)	0
People	C & F	New 2019/20	Savings	Staffing Underspend	0.0		(16)
People	C & F	FYE	Savings	Organisational Review Savings	0.0		17

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
People	C & F	FYE	Savings	Joint Service for Disabled Children- staffing restructure	1.5		(65)
People	C & F	FYE	Savings	Independent Reviewing efficiencies	1.5		0
People	C & F	New 2019/20	Income	Looked After Children - replace core funding with grant funding streams	4.5		(75)
People	Education	FYE	Savings	Organisational Review Savings	0.0		(181)
People	Education	FYE	Savings	EPS / CAMHS Service	2.5		(220)
People	EI&P	New 2019/20	Savings	CCTV - use of capital funding to purchase equipment	0.0		(400)
People	EI&P	FYE	Savings	Organisational Review Savings	0.0		(84)
People	EI&P	New 2019/20	Savings	Children's Services - reduction in Operational Support staffing	0.0		(50)
People	EI&P	FYE	Savings	Service Development Review	0.0		(37)
People	EI&P	New 2019/20	Savings	Youth Offending Unit - reduce the use of sessional workers and running costs	0.0		(20)
People	EI&P	FYE	Savings	Organisational Review Savings	7.5		(125)
People	PH	New 2019/20	Savings	Public Health Underspends	0.0		(865)
People	PH	New 2019/20	Savings	Stop Smoking Service	0.0		(130)
People	PH	New 2019/20	Savings	Substance Misuse (Contract Management)	0.0		(100)
People	PH	New 2019/20	Savings	Healthy Schools	0.0		(70)
People	PH	New 2019/20	Savings	PH funding for Domestic Violence IRIS project	0.0		(12)
People	PH	New 2019/20	Savings	NHS Health Checks	1.5		(30)
People	PH	New 2019/20	Savings	0-19 Service (Recommissioning)	3.0		(60)
People	PH	New 2019/20	Savings	Sexual Health (Recommissioning)	3.5		(300)
People	PH	New 2019/20	Savings	PH funding for Domestic Violence Prevention Post	4.5		(43)
People	PH	New 2019/20	Savings	Public Health Restructure	7.5		(240)
People	Education/ Commercial Services	Previous years	Income	Traded Services	3.0	(54)	0

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
People	Education/ Commercial Services	Previous years	Income	Traded Services	10.5	(593)	0
People Total						(1,147)	(4,348)

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Place	All	FYE	Savings	Management actions to contain pressure	0.0		(446)
Place	All	FYE	Income	Increase income across R&E	0.0		(250)
Place	Commercial	New 2019/20	Savings	Energy Saving Initiatives	0.0		(150)
Place	Env & Ops	FYE	Savings	Changes to Parking Measures	0.0		(300)
Place	Env & Ops	FYE	Savings	Organisational Review Savings	0.0		(295)
Place	Env & Ops	New 2019/20	Savings	Remodelling Regulatory Services	0.0		(250)
Place	Env & Ops	New 2019/20	Income	Growth of the Commercial Waste Services	0.0		(50)
Place	Env & Ops	New 2019/20	Income	General Cemeteries operations income - sales of mausolea and vaulted graves	0.0		(50)
Place	Env & Ops	New 2019/20	Income	Highways recharges to capital and other external and internal funded projects	0.0		(50)
Place	Env & Ops	New 2019/20	Income	Review of Parking Strategy across borough and council owned car parks	0.0		(50)
Place	Env & Ops	New 2019/20	Savings	Traffic and Transportation - restructure of service	0.0		(45)
Place	Env & Ops	New 2019/20	Savings	Stop School Crossing Patrols	0.0		(34)
Place	Env & Ops	New 2019/20	Income	Growth in customer base of the Pest Control Service	0.0		(25)
Place	Env & Ops	New 2019/20	Income	Additional Traffic & Transportation income from recharges to capital	0.0		(25)

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Place	Housing	New 2019/20	Savings	Temporary Accommodation Reduction Strategy	0.0		(1,132)
Place	Housing	New 2019/20	Savings	Use of HRA Decants	0.0		(975)
Place	Housing	FYE	Savings	Organisational Review Savings	0.0		(131)
Place	Housing	New 2019/20	Savings	Review of Recharges to HRA - Place Service Centres	0.0		(46)
Place	Planning	New 2019/20	Savings	Planning Policy - reduction in the Local Plan consultancy budget	0.0		(50)
Place	Planning	New 2019/20	Savings	Capitalisation of Urban Design team's time on MW Project	0.0		(24)
Place	Property	New 2019/20	Income	Parks Assets Income through marketing of assets	0.0		(60)
Place	Property	Previous years	Income	Property - Commercial property	0.0	(450)	0
Place	Property	New 2019/20	Income	Additional Filming income	1.5		(40)
Place	Env & Ops	New 2019/20	Savings	LED Street Lighting	2.5		(250)
Place	Env & Ops	New 2019/20	Savings	New Waste Collection Proposals	2.5		0
Place	Env & Ops	New 2019/20	Savings	Parks - Remodelling the Service	3.0		(100)
Place	Housing	New 2019/20	Savings	Temporary Accommodation - Future Years	3.0		0
Place	Customer Experience & Change	New 2019/20	Income	Library Service - increased income target	4.5		(75)
Place	Planning	New 2019/20	Income	Building Control Income	4.5		0
Place	Property	New 2019/20	Income	Market Rentals for Council Properties	4.5		0
Place	Mer Water	New 2019/20	Income	Meridian Water Meanwhile Use income	5.0		(1,190)
Place	Commercial	Previous years	Income	Leisure services	7.0	(600)	0
Place	Env & Ops	New 2019/20	Income	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	7.0		(338)
Place	Env & Ops	New 2019/20	Income	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	10.5		(304)
Place Total						(1,050)	(6,735)

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Resources	Commercial	New 2019/20	Savings	Operational Support Team - saving from restructure of team	0.0		(120)
Resources	Commercial	FYE	Savings	Organisational Review Savings	0.0		(65)
Resources	Finance	FYE	Savings	Organisation Review	0.0		(90)
Resources	Finance	FYE	Savings	Efficiencies following implementation of time-saving financial software.	0.0		(50)
Resources	Commercial	New 2019/20	Income	Review of Recharges to HRA - Resources Service Centres	1.5		(19)
Resources	Finance	New 2019/20	Income	Increase Finance Recharges to Pension Fund	1.5		(10)
Resources	Finance	New 2019/20	Savings	Payments Programme - new system allowing efficiencies in Exchequer	1.5		0
Resources	Commercial	Previous years	Income	Procurement - Contracts review	2.5	(150)	0
Resources	Customer Experience & Change	New 2019/20	Income	Review of Recharges to HRA - Resources Service Centres	2.5		(187)
Resources	Finance	New 2019/20	Income	Review of Recharges to HRA - Resources Service Centres	2.5		(120)
Resources	Customer Experience & Change	FYE	Savings	Organisational Review Savings	3.0		59
Resources	Finance	FYE	Savings	Organisation Review	4.5		(31)
Resources	Customer Experience & Change	New 2019/20	Income	Customer Services/Access Centres - increased support and recharge to HRA	5.0		(162)
Resources	Customer Experience & Change	Previous years	Savings	IT Contracts	5.0	(1,000)	0

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Resources	Commercial	Previous years	Savings	Procurement - Procurement Forward Plan	10.5	(530)	0
Resources	Customer Experience & Change	Previous years	Income	Commercialisation of IT (Assets & Infrastructure)	10.5	(300)	0
Resources Total						(1,980)	(795)

Grand Total						(4,177)	(16,451)
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2019/20 Estimated Cost of Start-Up Initiatives to be funded:	2019/20 £000	Planned Savings and Demand Reductions
People <ul style="list-style-type: none"> • Edge of Care (Children's) 	320	The Edge of Care transformation project will commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision.
Resources <ul style="list-style-type: none"> • Procurement and Commissioning co-managed service contract 	1,457	Procurement services/roles across the Council were brought together to form the Procurement & Commissioning Hub as part of the Enfield 2017 transformation programme. The Procurement & Commissioning Hub is made up of Enfield employees and the Council's co-managed partner EY. A focus of the work carried out by the hub is on contract and commissioning reviews, innovative procurement and programme management of MTFP savings.
<ul style="list-style-type: none"> • IT Service 	500	The service is implementing changes to the infrastructure contracts aimed at achieving significant cost reductions and transforming how services are delivered.
<ul style="list-style-type: none"> • Transformation Team 	377	<p>The Transformation Service manages a diverse portfolio of programmes, designing, planning and managing activity on behalf of Directors across the Council, hiring and managing specialist IT and other resources, as required for each individual project. The projects listed below are those relating to revenue projects:</p> <ul style="list-style-type: none"> • Build the Change Programme <ul style="list-style-type: none"> ○ Intranet Project ○ Collaboration (SharePoint) ○ New Device roll out ○ Asset Management System replacement

2019/20 Estimated Cost of Start-Up Initiatives to be funded:	2019/20 £000	Planned Savings and Demand Reductions
		<ul style="list-style-type: none"> ○ Flexible Working Project ○ Operational Buildings Review ○ Property Strategy and Development Project ● Customer Experience Programme <ul style="list-style-type: none"> ○ Customer Journey Project 3A – Recruitment and onboarding ○ Customer Journey Project 3B – Planning Applications ○ Learning & Development, Workforce and Culture Change ○ Libraries Hub Access Centre ○ Customer Insight and Performance Monitoring ○ Customer Experience ICT Experience <ul style="list-style-type: none"> ▪ ININ re-procurement ▪ Enterprise telephony ▪ Website and Enfield Connected software upgrades (Evolve) ▪ Bartec Integration for the waste service and its customers
<p>Place</p> <ul style="list-style-type: none"> ● EDGE Transport Contract 	30	<p>The EDGE Transport Contract is an invest to save initiative relating to the Councils People Transport Service, carried out by EDGE Public Solutions with and on behalf of the Council. This is the third and final year of the project and has been successful in terms of both savings and improvement of customer experience.</p>
<ul style="list-style-type: none"> ● Mobilisation costs associated with the implementation of waste service changes 	572	<p>The changes being implemented will revise the waste and recycling collection system for kerbside properties with a wheeled bin. The changes are:</p> <ul style="list-style-type: none"> ● To collect refuse every fortnight rather than weekly (collections from the property will be made on the alternative week to collections for dry recycling) ● To collect dry recycling every fortnight rather than weekly (collections

2019/20 Estimated Cost of Start-Up Initiatives to be funded:	2019/20 £000	Planned Savings and Demand Reductions
		<p>from the property will be made on the alternative week to collections for refuse)</p> <ul style="list-style-type: none"> • To provide a new service of a weekly separate food waste collection • To introduce a £65 per year charge to collect garden waste from households that opt into the scheme (additional bins per property will be charged at £65 per year) • Recruitment of 2 additional Recycling Officers • Recruitment of 2 additional Enforcement Officers • To invest £500,000 in Street Cleaning Services. <p>The total net savings over the 5-year business plan will be £7.5m from Waste Services, where the financial savings from the agreed option was significantly higher when compared to any other proposal or the current collection system, it conforms with the Mayor's Environment Strategy by providing separate food waste collections and has a projected step change in recycling to 49%.</p>
Total	3,256	