

## London Borough of Enfield

### Cabinet

16 September 2020

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**Subject:** Revenue Monitoring 2020/21: Quarter 1 (June 2020)  
**Cabinet Member:** Cllr. Maguire  
**Executive Director:** Fay Hammond

**Key Decision:** 5198

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### Purpose of Report

1. This Report sets out the Council's revenue budget monitoring position based on information to the end of June 2020. The report sets out the position with, and without, the impact of Covid-19 which will demonstrate that the Council was progressing on the journey of establishing a robust and resilient financial position prior to the outset of the pandemic. The report is set out to cover the following:
2. The revenue budget forecast including the impact of Covid-19, Government support and the Council's response is £10.6m overspend. If the impact of Covid-19 is set aside, the underlying budget position at quarter 1 is £0.566m overspend which demonstrates the progress on establishing a robust budget. This the concluding headline and is set out in Appendix B, the report is set out as follows:
  - i. Paragraphs 27 to 78 provide the underlying pressures with the General Fund as at quarter 1 of £0.566m after the flexible use of capital receipts are applied.
  - ii. Paragraphs 79 to 114 provides an update on the Covid-19 financial impact of £64.3m. The Government's response in terms of additional funding is highlighted in paragraph 21.
  - iii. Paragraphs 112 to 115 describes the Council's response to the pandemic, savings, income proposals of £9.269m.
  - iv. Paragraphs 23 and 111 discuss the option to run a Collection Fund deficit and the implications of doing so on this year's finances and on going impact.
3. The impact of Covid-19 has been assessed by forecasting the additional expenditure, loss of income and impact on the savings programme, the total forecast is £64.3m.
4. The Government has provided much needed funding of £21.2m to support the Council's response. At the same time the Government also announced further support to help manage the loss of sales and fees and charges income, an estimate of circa £4m has been allowed for in the

current financial position; the government's technical guidance was released on 25 August and the estimated grant will be subsequently updated following a review of the guidance.

5. In year savings of £6.3m have been identified and will contribute towards the series of mitigations that are being put in place to manage the financial pressure. The budget includes a contingency of £3.0m which was set to manage unforeseen circumstances, and this will be planned to be used to help mitigate the Covid-19 pressure.
6. Once the impact of Covid-19 and the in year savings have been considered within the departmental forecasts, the revenue forecast overspend is £2.4m and after the application of capital receipts for transformation purposes of £1.8m, the net overspend is £0.6m.
7. The Government announced that the Council could run a Collection Fund deficit which will provide a benefit this financial year of £19.2m but it should be noted that this is only a short to medium term mitigation.
8. The overall impact on the Council's General Fund is an overspend of £10.6m which will have to be funded from the Council's reserves.
9. The Dedicated Schools Grant is forecasting an outturn position of a deficit of £2.534m. With the £4.482m deficit brought forward from 2019/20, the cumulative forecast deficit at year end is £7.016m and will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation.
10. The Housing Revenue Account is forecasting a £0.6m overspend which is a result of the pandemic, without which the HRA would have been forecasting a neutral position.
11. The report provides an update of the level of Earmarked Reserves as at the end of 2019/20 and changes since the Outturn report and a forecast position for the level of reserves as at the end of 2020/21.

## **Proposals**

12. It is recommended that the Cabinet notes the General Fund, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) forecast revenue outturn position for 2020/21.
13. It is recommended that Cabinet note the Covid-19 impact of £64.3m and Council's response to mitigating this pressure.
14. It is also recommended that Cabinet note that without the pandemic the forecast overspend would have been £0.6m for the General Fund and further note the progress made on the journey to setting a robust and resilient budget.
15. It is recommended that Cabinet Members note the updated level of reserves as at 31<sup>st</sup> March 2020 and the forecast and implications for 2020/21 and over the life of the MTFP.
16. It is recommended that Executive Directors will continue to work with Cabinet Members to implement action plans to reduce the forecast

overspend in 2020/21 and implement savings, whilst managing, mitigating and minimising the Covid-19 financial impact.

### **Reason for Proposals**

17. To ensure that members are aware of the forecast outturn position for the authority, including all major variances which are contributing to the outturn position and the mitigating actions being taken and proposed to manage the financial position for 2020/21.

### **Relevance to the Council's Plan**

18. The General Fund, HRA and DSG Outturn Report sets out how the Council has best used its limited resources to deliver the Council's objectives in 2020/21. These objectives are:
  - i. Good homes in well-connected neighbourhoods
  - ii. Sustain strong and healthy communities
  - iii. Build our local economy to create a thriving place

### **Background**

19. On 26 February 2020, the 2020/21 budget was set by Council. New savings of £9.2m and new income generation plans of £2.7m were agreed for 2020/21. Savings and income proposals agreed from previous years to be delivered in 2020/21 totalled £3.3m. As part of the aim to place the budget in a more resilient position, in 2020/21 £30.1m of growth was included to reflect the demographic, inflationary, investment, capital financing needs, partly offset by a £3.6m benefit from the Pensions Actuarial Review to give a net growth figure of £26.5m.
20. The Council responded rapidly to the Covid-19 crisis ensuring that it supported the community as effectively as possible in very challenging circumstances. This has had a significant financial impact as previously reported to Cabinet in May. At the time the pressures were £68.1m and whilst this has been under continual review and refreshed with the latest forecast at £64.3m the pressure is still the most significant challenge the Council has faced.
21. The Government has provided much needed funding of £21.2m to support the Council's response. This has been in the form of three tranches of Covid-19 support funding i.e. the authority's allocation from the national allocations of £3.2bn and the more recent £0.5bn. At the same time the Government also announced further support to help manage the loss of sales and fees and charges income. The technical guidance on the sales, fees and charges grant income was formally released on 25<sup>th</sup> August, an estimate of circa £4m has been allowed for in the current financial position, this will be reviewed in the light of this recent guidance.
22. Recent Government announcement will mean that the Council could run a Council Tax deficit which will provide a benefit this financial year of £19.2m but it should be noted that this is only a short to medium term mitigation.

There has been an indication, via the Secretary of State for Housing, Communities and Local Government, that this position maybe reviewed to provide some support for this lost income. This would be welcomed; however, the details are not currently clear and therefore the Council is prudently continuing to review budget options.

23. As set out in the Cabinet report of 15th July, the Medium Term Financial Strategy (MTFS) set out the approach for meeting the Covid-19 financial pressures by seeking in year savings. These in year savings are an essential part of the Council's response in order to be in long term sustainable budget position. After this action and the use of contingency the shortfall is still £29.257m. Taking into consideration the quarter 1 forecast of £0.6m overspend and if the Government's option to run a Council Tax deficit is implemented this will reduce the shortfall to £10.616m.
24. The 2020/21 budget relied on a one-off use of reserves of £1.56m from the Risk Reserve. The potential calls on the Risk Reserve due to Covid19 exceed the available Risk Reserve, and therefore, as set out in the Reserves Section (paragraph 174), a review of the Reserves is underway to identify service specific reserves that can be transferred to the Risk Reserve.
25. The £64.3m financial pressure the Council is facing as a result of the Covid-19 pandemic have been reported collectively and are not included in the department forecast positions. These pressures are covered in paragraphs 79 to 114 and detailed in [Appendix G](#).
26. This report also provides information on the main budget variances and their causes that are affecting the Council across all departments that are not as a result of Covid-19 and these are covered in paragraphs 27 to 78. Although a full budget monitor is carried out each month, variations in this report are limited to variances of at least £50,000 whether adverse or favourable, to provide a greater strategic focus. This report sets out the overall General Fund Revenue; Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) forecast outturn for 2020/21, with details of variations provided in [Appendices C](#) to F (General Fund) and [Appendix K](#) (HRA) and [Appendix L](#) (DSG). The variances detailed in each department are those which the Council would be experiencing without the pandemic, any variances resulting from Covid-19 are detailed in [Appendix G](#). The report also provides a monitor of reserves and balances, which are set out in detail in [Appendix M](#). Use of capital receipts to fund transformation expenditure is summarised in [Appendix H](#).

## **Main Considerations for the Council**

27. **General Fund Quarter 1 Forecast Outturn**
28. Each of the departments has generated a list of the key variances which are contributing to the projected outturn figures and are not resulting from the pandemic. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast 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).

29. The forecast budget position is set out in Table 1 below. It provides a comparison between the latest budget and the forecast position. This is the total forecast position for the Council, including the effects of Covid-19.
30. Table 2 sets out the Covid-19 associated pressures the Council is experiencing by department.

31. Table 1: General Fund Quarter 1 Projected Departmental Outturn Variances 2020/21

Department	Net Budget	Total Gross Forecast Outturn	Flexible use of Capital Receipts	Total Net Forecast Variance incl. Covid19 & In Year Savings	Net Variance excl. Covid-19 & In year savings	For information		
						Covid-19 Total Impact (see Table 2)	Covid-19 Funding / Collection Fund	In Year savings
Chief Exec	11.026	11.939	(0.765)	0.148	0.252	0.330	0.000	(0.434)
People	124.626	135.704	(0.045)	11.033	0.345	11.908	0.000	(1.220)
Place	34.057	47.157	(0.086)	13.014	(0.088)	15.317	0.000	(2.215)
Resources	37.649	44.097	(0.918)	5.530	0.057	5.873	0.000	(0.400)
<b>Service Net Costs</b>	207.358	238.897	(1.814)	29.725	0.566	33.428	0.000	(4.269)
Corporate Expenses	33.478	35.921	0.000	2.443	0.000	4.443	0.000	(2.000)
Bad Debt Provisions	0.791	10.596	0.000	9.805	0.000	9.805	*(2.600)	0.000
Contingency	3.000	0.000	0.000	(3.000)	0.000	0.000	0.000	(3.000)
<b>Net Expenditure</b>	244.627	285.414	(1.814)	38.973	0.566	47.676	0.000	(9.269)
Expenditure financed by:								
Business Rates	(98.666)	(93.102)	0.000	5.564	0.000	5.564	*(5.564)	0.000
Council Tax	(134.051)	(142.216)	0.000	(8.165)	0.000	11.042	*(11.042)	0.000
Other non-ring-fenced Government Grants	(10.345)	(36.101)	0.000	(25.756)	0.000	0.000	(25.756)	0.000
Reserves	(1.565)	(1.565)	0.000	0.000	0.000	0.000	0.000	0.000
<b>General Fund Corporate Financing</b>	0.000	12.430	(1.814)	10.616	0.566	64.282	(44.963)	(9.269)

\*These figures total £19.206 which represents the Collection Fund deficit that the Council could run based on the recent Government announcement. Though this benefits the finances for 2020/21, this will need to be recovered over the next three financial years, hence increasing future budget gap in the Medium Term Financial Plan.

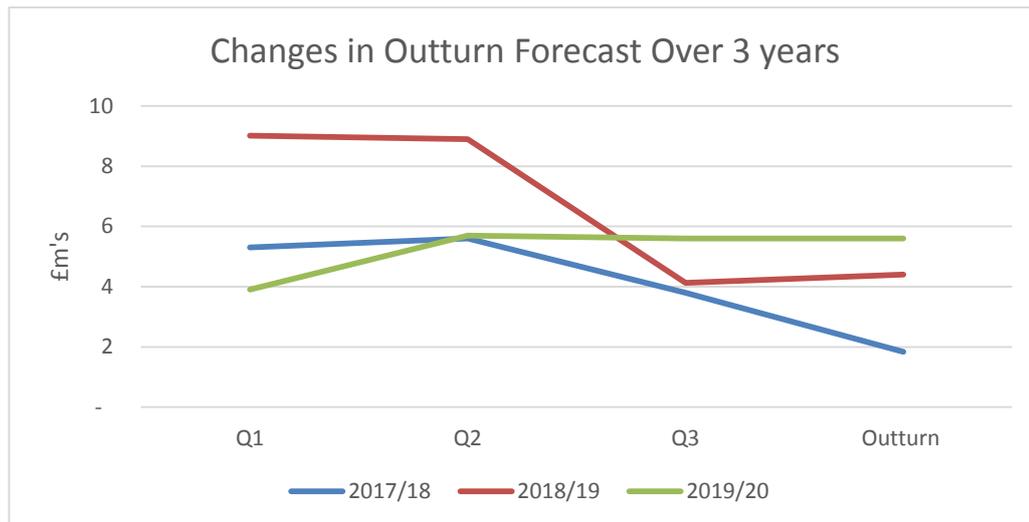
**Table 2: Summary of Covid-19 Impact by Department**

<b>Department</b>	<b>Net Budget</b>	<b>Covid-19 Additional Expenditure</b>	<b>Covid-19 Loss of Income</b>	<b>Covid-19 Impact on Savings Programme</b>	<b>Covid-19 Total Impact</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Exec	11.026	0.000	0.330	0.000	0.330
People	124.626	11.535	0.373	0.000	11.908
Place	34.057	5.493	8.024	1.800	15.317
Resources	37.649	1.364	3.609	0.900	5.873
<b>Service Net Costs</b>	<b>207.358</b>	<b>18.392</b>	<b>12.336</b>	<b>2.700</b>	<b>33.428</b>
Corporate Expenses	33.478	4.443	0.000	0.000	4.443
Bad Debt Provisions	0.791	9.805	0.000	0.000	9.805
Contingency	3.000	0.000	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>244.627</b>	<b>32.640</b>	<b>12.336</b>	<b>2.700</b>	<b>47.676</b>
Expenditure financed by:					
Business Rates	(98.666)	0.000	5.564	0.000	5.564
Council Tax	(134.051)	0.000	11.042	0.000	11.042
Other non-ring-fenced Government Grants	(10.345)	0.000	0.000	0.000	0.000
Reserves	(1.565)	0.000	0.000	0.000	0.000
<b>General Fund Corporate Financing</b>	<b>0.000</b>	<b>32.640</b>	<b>28.942</b>	<b>2.700</b>	<b>64.282</b>

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

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

35. Chart 1: Trends in outturn forecasting since 2017/18



36. This report provides further information on the budget position as follows:
- Summary narrative for each service area and supported by [Appendices C to F](#) providing additional data and analysis
  - Monitoring information on the progress towards meeting agreed savings and income generation agreed
  - Update on DSG and HRA
  - The financial management key performance indicators set out in [Appendix A](#).
37. **Departmental Monitoring Information – Budget Pressures and Mitigating Actions (net variance, excluding Covid19)**
38. **Chief Executive's ([Appendix C](#))**
39. The Chief Executive's department is forecasting a net adverse variance of £0.252m against a budget of £11.0m after the department has contributed £0.434m to the in year savings to mitigate the financial pressure relating to Covid-19.
40. There is a forecast overspend in Human Resources of £99k resulting from a forecast shortfall in recharge income together with increased staffing expenditure required to support the increased workload including the agency reduction strategy.
41. The Organisational Development service are forecasting a £67k underspend which is mainly due to a salary budget underspends, however the service is also experiencing an income shortfall because of the service is unable to deliver face to face training.
42. Legal services are forecasting to be £0.200m overspent which is predominantly due to an increase in the number of children's social care cases and associated legal costs. These alongside forecast shortfall in recharges and difficulty in achieving structure savings form the basis of the £0.200m overspend.

**43. Use of Capital Receipts:**

44. The flexible use of capital receipts is forecast as planned and detailed in the 2020/21 Budget Report to fund the Procurement and Commissioning co-managed contract, which is forecast to cost £0.765m for 2020/21.

45. Further details of the Chief Executive department's outturn variations are provided in [Appendix C](#).

**46. People ([Appendix D](#))**

47. The department's outturn is a £0.3m overspend on a budget of £114.5m. The main variations are as follows:

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

49. Adult Social Care services are forecasting an overspend of £0.5m across all services, which reflects significant improvement on the £3.2m overspend reported in 2019/20.

50. Key assumptions within the forecast are based on projected activity and year to year trends. However, with the continuation of the effects of Covid-19, use of NHSE funding for hospital discharge cases and increasing use of family and community support, additional activity and spend projections have been added to take account of an anticipated spike in demand and costs from September/October until more certainty around continued government funding through NHSE is in place. This has made trend analysis extremely challenging in year. Additional provider costs due to Covid-19, demographic and inflationary pressures mean the projected outturn, whilst containing an element of risk, may be subject to change in the run up to Winter.

51. The £0.5m forecast overspend is mainly focused in the Learning Disability Service, where continuing demographic pressures are being experienced, alongside increasingly complex cases.

**52. Public Health**

53. The forecast is a neutral position for Public Health services, though it should be noted that due to the better than forecast outturn position, £0.25m that was transferred to earmarked reserves will contribute to the Covid-19 pressures as part of the department's in year savings.

**54. Education, Children's and Families**

55. There are only a few General Fund services in Education and the cost of former employees on enhanced pension is forecast to be £0.1m underspend at the year end.

56. Children's and Families services are forecast to be £32k underspent, of which the £0.161m underspend is a result of £0.100m underspend in former unaccompanied asylum seeking children and vacancies within the services and £0.125m is predominately the cost of legal disbursements

incurred. This was identified in the 2019/20 outturn and will need to be included in the 2021/22 MTFP if it can not be contained within existing resources.

57. Whilst the forecast outturn is currently positive it should be noted that the number of referrals is currently lower than usual and once the Schools return this could increase which could then change the forecast to an overspend position.

**58. Use of Capital Receipts:**

59. The planned use of capital receipts included £45k to fund a pilot scheme for 1 year to evaluate the use of Virtual Reality to improve Social Worker practice and increase recruitment and retention of Foster Carers, this project was delayed as a result of the pandemic, is now being progressed again and forecast to require the £45k as planned.

**60. Housing Related Support**

61. For the first time in several years, the service is forecasting a neutral position. This is as a result of the significant savings programme that has delivered £8m of savings and the recognition in the MTFP that the pace of delivery of further savings could not match the expected targets, resulting in circa £0.3m being added to the budget in 2020/21.

62. Further details of People outturn variations are provided in [Appendix D](#).

**63. Place ([Appendix E](#))**

64. The Place department is reporting a forecast £88k underspend once the impact of Covid-19 and offering in year savings of £2.2m have been taken into account.

65. Favourable variances are reported in Traffic & Transportation services of £72k due to additional Traffic Order income, Parking Enforcement of £200k as a result of putting in place additional traffic enforcement and parking control measures, Parks Activities & Engagement of £73k due to underspends in salary costs and other operational expenditure plus forecasted improved income from allotments and Strategic Property Services which is forecasting a £232k underspends in the services salary budget.

66. Overspends are forecast in Passenger Transport Service and Culture services which are reporting a £0.120m and £0.500m respectively and these are continuations of previous year's budget pressures.

**67. Use of Capital Receipts:**

68. The planned use of capital receipts included £60k for the mobilisation costs associated with the implementation of the waste service changes, these have progressed despite the pandemic and the forecast cost is now £86k for 2020/21.

69. Further details are provided in [Appendix E](#).
70. **Resources ([Appendix F](#))**
71. The Resources Department is reporting a net variance of £57k after the application of capital receipts against a net budget of £37.649m. This overspend is after £0.400m of in year savings have been identified and excluding the impact of Covid-19, which is discussed later in the report.
72. The Knowledge & Insights Team and Libraries Services are forecasting a favourable variance due to vacant posts within each service.
73. Whilst an overspend on the 2020/21 budget is forecast in Customer Operations because contract costs relating to 2019/20 have been incurred in this financial year.
74. It should be noted that the pressure in the Court costs income are all reported against Covid-19 and that there was an underlying pressure pre Covid-19 which will be quantified for future reports and will need to be considered in the budget setting process for 2021/22.
75. **Use of Capital Receipts:**
76. The £0.460m reflects the part year impact from implementing the new IT structure, which will reduce the current pressure and is transformational in nature.
77. The forecast net cost of the Transformation Team is by its nature transformation project costs and are planned as described in the Budget Report 2020/21 to be funded by the flexible use of capital receipts.
78. Further details of Resources outturn variations are provided in Appendix F.
79. **Covid-19 Pressures ([Appendix G](#))**
80. **Chief Executive's: net Resources budget is £11.026m; the total estimated additional costs of £0.330m (3.0%)**
81. The impact in the Chief Executive's department continues to focus on the effect on the income and future income generation proposals in the 2020/21 budget. The likelihood of achieving budgeted levels of income and future delivery is low because of a reduction in demand being experienced across services.
82. **People: Adult Social Care (ASC) and Public Health ([Appendix D](#)) – net budget is £76.959m; the total estimated additional costs of £7.8m (10.1%)**
83. The impact on Adult Social Care (ASC) continues to be mainly related to additional cost. The current forecasted pressure is £7.8m. The most significant cost pressures are judged to be additional staffing required at

Bridgewood House to enable taking patients direct from hospital at £0.750m, additional payments to care providers for additional staffing and equipment plus increased care cost for those being discharged from hospital. i.e. rapid admission to residential and nursing home for clients who otherwise would have been diverted to community of £2.151m and £0.750m additional long term care purchasing costs as a result of the cancelation of routine operations e.g. hip, knee etc. Further costs are still expected to be incurred because of the need for additional staffing across all teams at £1.071m and the closure of both Learning Disabilities and Older People's day centres meaning that increased cost of individuals being cared for at home at £0.500m and an estimated £0.540m for Learning Disabilities placement breakdown. In addition, Covid-19 has also impacted on the departments income through delays in completing financial assessments, with the impact forecasted to be approximately £0.3m.

84. There are some expected additional costs in the Public Health services specifically the closure of Silver Point Clinic, which could drive additional costs for testing for STI's in out of borough clinics.
85. **People: Education – net budget is £5.076m; the total estimated additional costs are £0.150m (3.0%)**
86. The forecast pressure relates to the Government proposal to remove free travel for U18's. The £0.150m was an early assessment and is included in the latest return to the MHCLG. However, since then further analysis has been undertaken using the London Council's calculator tool which reflect that the Council incur charges of circa £0.900m for journeys and the administration of the assessment process dependent on the final decision made by the Government.
87. **People: Children's & Families – net budget is £42.591m; the total estimated additional costs of £3.539m (8.3%)**
88. The additional cost forecast is £3.539m in total, with the most significant costs being due to delays in court days impacting on the length of secure remand placements. This is estimated to cost £0.497m for six months. Care placements and support packages into homes to safeguard children particularly but not exclusively children with SEND and/or severe emotional and mental health needs e.g. could cost up to £0.250m to support 1 child to stay at home with 3 carers 24 hours a day at the most complex end of the scale or it could cost £25k. At an average the forecast is that this will cost an additional £0.900m and the increase in the numbers of children looked after where parents fall very ill could cost £1.150m based on an estimate of 20 children.
89. **Place ([Appendix E](#)) – net budget is £34.057m; the total estimated additional costs of £15.217m (44.7%)**
90. A 3 month rent holiday, covering the period 25th March 2020 to the 23rd June 2020 was agreed for all registered local based charities; community groups; sports clubs and social enterprises, all locally based small and medium sized retail, hospitality and light industrial businesses who occupy

Council owned buildings. The lost income from this was originally estimated to be £1.2 to £1.5m. However, as previously stated the Rent relief or support for any business or organisation beyond this will be on a case by case basis and the current forecast is £0.655m. The Government has provided short term security to tenants and as a result it is expected income to drop further, some of which may not be recoverable in this year.

91. There are several trading services across Place that have been impacted by a loss of demand for services and therefore experience a loss in income e.g. planning, scaffolding etc. The most substantial loss of income though has been experienced in the decline in Parking income because of there being less travel undertaken and less use of car parks throughout the lockdown period, this alone has created a £3.4m forecast loss of receipts.
92. The Mortality Planning Group was mobilised under the London Resilience Strategic Coordination Group and it expanded mortuary capacity across London. The initial estimate of this was around £10m-£12m for the whole of London where the cost of coroner and mortuary provision are allocated based on population size. The original estimated impact was a cost of circa £0.5m, however the actual cost has been received of £0.8m.
93. Operational services such as Waste, Street Cleaning and Parks have all had to incur additional expenditure during the pandemic, these were originally forecast to decline in the 1<sup>st</sup> quarter but this is expected to be September and a gradual removal of additional resources required by the end of 2020 with a total forecast cost of £1.9m. Alongside this a forecast increase in the amount of waste tonnages produced in the borough has increased the financial pressure by £0.8m though this is reported in the corporate section because the impact will be seen in the levy charges from the North London Waste Authority.
94. The net loss arising from the Temporary Accommodation service is still forecast to increase. An Emergency Housing protocol was introduced in line with Government guidance to take a broader responsibility towards meeting crisis, emergency housing needs, which created increased short term pressures, but this will not necessarily translate into a longer term statutory duty for housing beyond the pandemic. There is, however, an assumption of between 350-700 additional homes being required for the year.
95. There is also an impact on the services strategic plans to decrease the amount of Temporary Accommodation for the following reasons:
96. Reduced ability to move residents on into the private rented sector.
97. Restraint on actions to cease the Council's duty. There is a backlog of circa 600 cases where decisions are awaited. It is anticipated for 25% the Council may not have a duty. However, it would be inappropriate to issue these decisions at this time other by consensus with alternative more suitable accommodation to move to.

98. The budget for 2020/21 was predicated on certain initiatives such as Enfield Let, Capital Letters and growth in the HGL portfolio increasing the amount of Private Rented Sector (PRS) accommodation to avoid the need for Temporary Accommodation.
99. Total unbudgeted exposure based on attached assumptions for the above remains at £3-5m in addition to the agreed net budget. This is on the basis that the operating costs associated with a higher portfolio will be managed from the move-on team that will be redirected to this purpose.
100. The landscape on homelessness has shifted since the pandemic with the rise of the LHA rate to the 30% of the housing market making more private rented sector homes affordable and Boroughs having been aiming to accommodate vulnerable people in borough to ensure the provision of support services. Both these factors and the impact they may have on the Council's ability to prevent homelessness and therefore maintain the strategy of reducing the need for TA need to be kept under review over the coming months.
101. Additional investment into the Homelessness Service has been made through increased MHCLG grant. The service will aim to manage costs within the existing staffing budget. This is subject to understanding the impact of the ending of forbearance measures e.g. suspension of eviction notices and the impact on demand. The service will accelerate the introduction of parts of the new Housing Advisory service to work upstream to attempt to prevent and mitigate the costs arising from this situation.
102. The Council is incurring additional costs for rough sleepers which the Council is attempting to seek additional funding for via MHCLG:
  - i. Additional agency staff to cover for workers that may become ill or are self-isolating: 2 x Rough Sleeper Outreach Workers / Navigators this will cost £40k for 6 months.
  - ii. Self isolation accommodation is likely to be required all year rather than for the 3 weeks of agreed funding. 40 units of self contained accommodation for rough sleepers will be an additional cost of £325k for 6 months.
  - iii. Using Edmonton Travel Lodge as emergency accommodation at a cost of £0.570m
  - iv. Additional costs of deep cleaning, food for self isolating rough sleepers cost will be £20k for 3 months.
103. **Resources: net Resources budget is £37.649m; the total estimated additional costs of £5.873m (15.6%)**
104. The most significant impacts identified in Resources services relate to additional costs and these are an increase in the number of Discretionary Housing Payments which is estimated at £0.500m, reverting IT work packages to deal with the systems, operations, network/infrastructure programme etc. at a cost of £0.900m. There is an estimated loss of income across services in the department of £3.609m with the most significant being the collection of Housing Benefit overpayments, libraries, the schools catering service, music services and recovery of court costs.

The closure of the libraries will impact on the delivery of income generating projects that were agreed for the 2020/21 budget.

**105. Corporate**

106. A Community Resilience Hub has been established to make emergency payments for rents, provision of food and medical supplies. The forecast cost of these operations is £2m.

107. Personal Protective Equipment has been purchased for use across all Council services excluding Adult Social Care where this is recorded separately for the purposes of the MHCLG return.

108. The Bad Debt provisions for Sundry, Housing Benefit overpayments and Court costs are all reflected as corporate cost and are forecasted to be an additional £7.2m. The impact on the Council Tax and Business Rates Bad Debt Provisions is included in the Collection Fund impact below.

**109. Collection Fund**

110. The total impact on the Collection Fund is currently forecast to be £19.207m. This can be further broken down by:

	<b>£m</b>
Council Tax collection	11.042
Business Rates collection	5.564
Collection Fund Bad Debt Provisions	2.600
<b>Total</b>	<b>19.206</b>

111. The Government has recently announced that Local Authorities could run a Collection Fund deficit for the next 3 years, and this is reflected in the Council's forecasting and current gap. However, whilst this reduces the financial impact in 2020/21 it will have a detrimental impact on future years and increases the budget for 2021/22 by £6.4m as the deficit will need to be recovered.

**112. Council's response to Covid-19 pressures**

113. In response to the financial pressure, departments have sought in year savings totalling £6.269m and the detail of which is laid out in the "in Year Savings" report KD 5204, which was published on the 10<sup>th</sup> August 2020. It is also proposed to use the £3.0m contingency budget set for 2020/21 to mitigate the Covid-19 pressures. Therefore, this totals £9.269m for the Council's response as at quarter 1.

114. Another part of the Council's response is to conduct a mid year review of fees and charges which is currently ongoing.

115. Further details of Covid-19 variances are provided in [Appendix G.](#)

116. **Flexible Use of Capital Receipts** ([Appendix H](#))

117. With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise capital receipts for revenue purposes. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services, and/or transform service delivery to reduce costs or demand for services in future years for any of the public sector delivery partners. In the Provisional Local Government Financial Settlement of December 2017, the Government extended this flexibility for a further three financial years, from 2019/20 to 2021/22.
118. The Council is mindful of over reliance on, and the sustainability of, this one-off funding. In the medium to long term, alternative funding will need to be identified to fund any further projects, as capital receipts may not be available, and this flexibility will no longer be available after 2021/22. As set out in earmarked reserves below, it should be noted that the “Invest to Save” transformation reserve remains for future projects.
119. The impact of using capital receipts to fund revenue transformation projects is that these receipts are not available to fund the council’s capital programme and, therefore, increase the council’s borrowing requirements.
120. The Budget Report 2020/21 set out the plan for use of capital receipts this financial year. The forecast is broadly in line with the agreed plan and no new requirements have been identified in this quarter 1 report. The total forecasted call on capital receipts is £1.814m as described in [Appendix H](#).
121. **Achievement of Savings ([Appendix I](#) and [Appendix J](#))**
122. 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
123. The savings include those that are new for 2020/21 plus the full year effect of previous decisions.
124. Of the £15.1m departmental savings, £3.7m is expected to be fully delivered at this stage. This consists of £0.8m which have been fully achieved and a further £2.9m which are on track for delivery.
125. However, £7.4m and £3.9m are amber or red risk status. These risk ratings are reflected in the forecast outturns for each department and predominantly relate to pressures and delays caused by the pandemic.
126. Further details for each department are summarised in the charts and tables in [Appendix I](#) and [Appendix J](#).

127. **Housing Revenue Account (HRA) (Appendix K)**

128. The current HRA forecast for quarter 1 is a balanced position, however, due to additional pressures as a result of Covid-19 the additional costs and loss of income are estimated to be £0.643m. This pressure will be maintained within the overall HRA budget.

129. **Communal Services**

130. Covid related spend in this area is circa £126k to date. It is estimated that the full year costs be £292k due to the following:

131. **Agency & Overtime**

132. Through April to July, 10 extra agency staff were added to the current 5 (5 ongoing agency within budget) agency staff within the service. Although agency numbers were high, the need for these were essential to maintaining the service.

133. The additional agency were used to backfill full time employees who were quarantining due to underlying health conditions as well as attending emergency requests.

134. Overtime had increased to ensure all communal spaces were cleaned to a safe standard through the peak of the pandemic. This has recently started to decrease as a result of the recent revision of rotations. This will decrease again in September due to overtime hours being reduced.

135. **Equipment and Supplies**

136. Vital spend to ensure the governments guidance on cleaning and hygiene is adhered to. Purchasing of new machines, chemicals and equipment meant the correct level of cleaning could take place in the communal areas.

137. **PPE**

138. Beginning of lock down PPE was at its highest market cost due to the national shortage. This spend is based on bulk purchasing to supply Housing and the wider council. This will be an ongoing spend however, will not be reduced to market prices coming down and other teams having access to purchasing PPE. As a caution, a large order will be placed to ensure PPE is available in the case of a second peak

139. **ASB Weekend Patrols**

140. In line with operation 'LAKENVELDER', the weekend patrols will likely continue until government advice changes on 'social distancing'. Since the commencement in July 2020, the weekend teams have been slightly reduced from the originally capacity.

141. **Dwellings Rent**

142. The estimated void rate for this year was 1%, data up to week 13 now shows that the average void rate over this period has increased to 1.53%. The table below shows the total rent loss per month for general needs and sheltered properties, these are now let:

Month	No. Properties Let	Rent loss in period £
May	5	9,140
June	34	20,555
July	34	32,477
still to be let	18	41,401
Total void loss Q1	91	103,574

143. The table shows the total rent loss to date of £104k.

144. **Community Halls**

145. There has been no bookings or usage of the community halls in quarter 1. The amount of £12.5k has been refunded for the bookings that did not go ahead during the quarter.

146. It is assumed that we will get back to income of £20k per month once the nurseries start from September 2020 onwards subject to Covid-19 restrictions on number of children/adults per hall.

147. Last year, our average income for this period was £31k per month. It is hard to predict whether we will reach that capacity with the winter approaching and possible 2nd wave of Covid-19 & government restriction on social gatherings.

148. At this point of time, we will assume that there will be a deficit of £247k from our current budget £374k for 2020-21.

149. **Day to day Service Charge and Major Work Income Collection**

150. **Service Charges**

151. A significant drop in service charge collection for quarter 1 has been anticipated. For the previous financial year, the service was collecting an average of £349k each month. Collection rates have remained very consistent even though all enforcement action has been suspended to date. This was not anticipated but is the likely result of the furlough schemes. Once this government support is removed, it is expected that there will be larger defaults. However, the outstanding balance keeps on going up at around £50k per month, for July the balance stood at £336,564.

Service Charge amount -	April £	May £	June £
Collected:	335,847	341,490	344,722
Outstanding Balance:	179,557	233,804	284,268
Invoiced:	395,226	395,738	395,186

152. **Major Works**

153. Major works collections have been decreasing in line with our predictions.

<b>Major Works amount</b>	<b>April £</b>	<b>May £</b>	<b>June £</b>
Collected:	242,098	156,263	109,289
Outstanding Balance:	4,366,212	4,214,406	4,124,163
Invoiced:	-26,515	-6,038	20,348

154. Collections activity was resumed from mid-July, all leaseholders have been sent a letter informing them thereof. The approach is still a very sensitive one with a lot of support and income management advice being offered.

155. **HRA**

156. **Repairs service**

157. As of the 1st of May, Enfield Repairs Direct (ERD) successfully took responsibility as the primary contractor for general building repairs across Council Housing. Whilst being restricted to only delivering essential repairs at the time, ERD have worked alongside its support contractors to ensure it was able to sustain a full essential repair service, delivering all emergency and urgent repairs required throughout the period and subsequent to restrictions being lifted, have and continued to work across the borough to address the backlog of non-essential repairs that have arisen during the period of lockdown.

158. In relation to savings post Covid-19 we have worked to identify revenue savings from the 2020-21 budget, these have included:

- i. The deferral of an £800K external house painting programme
- ii. A targeted reduction in void costs within the year delivering an anticipated £550K saving on the void budget
- iii. Deferred the recruitment of several posts in quarter 1 enabling an increase in the vacancy factor from 2.7% to 5%
- iv. Provisions for income from additional chargeable works that can be undertaken by Enfield Repairs Direct.

159. The above delivers a £1.7m saving in the HRA to date. We continue to work hard to identify and deliver additional 1 year savings however there has been a significant increase in demand for the repairs service since we have been able to schedule non-essential repairs again and this coupled with increased costs associated with PPE, materials and deferrals in the planned programme due to the impact of Covid-19 means we are not in a position to reforecast down the revenue spend further at this point in the year.

160. **Bad debt provision**

161. A review of the bad debt provision is currently being calculated, in line with a full review of all debt across the Council. A 25% Covid-19 impact was applied to the bad debt provision when setting the budget. Early indications based on the current level of arrears has seen a small increase in the arrears balance of 1.4% up to week 13. Once the full calculation is complete, we will be able to identify if the current provision and contribution are sufficient.

162. **Efficiency savings**

163. The HRA Business Plan has an efficiency target of £1.4m to be achieved in this financial year. The following table represents the savings and pressures forecast to ensure the efficiency saving is achieved:

<b>Savings</b>	<b>£000's</b>
Vacancy factor from 2.9% to 5%	(264)
Repairs - various	(1,700)
Garages - voids - removal from system - backdate void loss	tbc
<b>Total</b>	<b>(1,964)</b>
<b>Pressures</b>	
Community hub GF recharge	250
Civica costs - additional	tbc
Total	250
<b>Covid-19 pressures</b>	<b>494</b>
<b>Savings</b>	<b>(1,221)</b>

164. Further work is in progress to achieve the full target and incorporate the Covid-19 pressures that have been identified.

165. Further details of HRA variances are provided in [Appendix K](#).

166. **Dedicated Schools Grant (DSG) ([Appendix L](#))**

167. For 2020/21 Enfield received a total Dedicated Schools Grant allocation of £351.26m and the funding is allocated across four blocks; £267.87m for the Schools Block, £2.68m for the Central Schools Services Block, £25.80m for Early Years and £54.90m for the High Needs Block.

168. In 2019/20 there was a bought forward DSG surplus of £0.38m but due to ongoing High Needs pressures there was an in year overspend of £4.862m resulting in a cumulative outturn deficit of £4.482m which was bought forward to 2020/21. There continues to be cost pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are placed in borough. There is a SEN expansion programme in place which continues to increase in borough provision through expansion of current provision and the development of additional units and satellite provisions. Over time this will enable more pupils to be placed in borough and reduce the number of pupils placed out of borough in costly independent provision.

169. The in-year forecast outturn position is a deficit of £2.534m. This is due to a net projected overspend in the High Needs Block. The main pressures in the High Needs Block relate to the development of additional in borough provision and the increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools.

170. Therefore, the cumulative forecast deficit at year end is £7.016m and will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation.
171. **Movements Since Reported Outturn**
172. The reported level of Reserves stated in the 2019/20 Revenue Outturn Report was £123.3m. Since that report further work was continuing in closing the accounts and producing the Draft Statement of Accounts and the level of Reserves following this work has increased to £129.5m. It should be noted this is the total for the General Fund, HRA and Schools related balances.
173. The most significant change related to the recategorization of CIL balances totalling £4.1m, which had previously been reflected as a liability but as they sit alongside S106 there is a statutory requirement to categorise them as reserves. A further £1.9m was identified through the continue review of the Balance Sheet and these have been added to the Balance Sheet Management Reserve.
174. **Earmarked Reserves (Appendix M)**
175. It is important to recognise that the reserves overall are limited, especially against a backdrop of challenging savings targets for 2021/22 and 2022/23. The importance of maintaining a tight control on spend, delivering on existing savings plans and recovering lost income positions due to Covid-19 cannot be understated.
176. The Risk reserve has significantly reduced over the past couple of years, very likely to be in deficit by end 2020/21. The current balance of the Risk reserve is currently £8.3m but with the current 2020/21 Covid19 shortfall is £7.6m (after applying the specific Covid-19 reserve to the £0.6m forecast overspend) and £1.6m of planned use reserves in 2020/21 budget, the forecast outturn for the Risk Reserve is a deficit of £0.4m
177. A review is underway to see if any of the £11.5m Service Specific and earmarked reserves can be transferred to replenish the risk reserve and offset the current forecast risk reserve deficit.
178. The General Fund Balances are forecast to be held at £13.950m (on a net budget of £231m, i.e. 6%; and borrowing of £1bn). The minimum level of unallocated reserve balances is a decision reserved for the Section 151 Officer, in order to ensure operational efficacy and sustainability of the Council's financial position. The appropriate level of General Fund balances will need to be reviewed of over the course of 2020/21 considering the new risks and uncertainty brought about by Covid-19.
179. The £13m Risk/Smoothing Reserves relating to Council Tax (£133m) /Business Rates (£90m) and Housing Benefits (£290m claim per year) are currently forecast to remain stable over the course of 2020/21.
180. The £26m of Capital and Minimum Revenue Provision reserves are committed for the next five years to smooth any increased budget requirement.

181. The chart in [Appendix N](#) demonstrates the risk associated with the level of reserves held. If the Council does not deliver savings, even under the best case scenario it will run into a deficit on its Reserves during 2022/23. This will be pushed back to 2023/24 if 50% of the savings required are delivered.

**182. Medium Term Financial Impact**

183. The Council remains in a financially challenging position and the estimated budget gap for 2021/22 is £25.016m.

184. The budget gap for 2021/22 as at when the budget was set in February was £13.265, however since then the additional pressure in the Council Tax Support scheme, an assumption of no Council Tax increase in 2021/22 and an initial view on pressures coming through the regular revenue monitoring as at May 2020, increases that gap to £18.613m. If a Council Tax deficit is run of £19.207m this will need to be replenished over the next three years at £6.402m per year, resulting in an overall gap of £25.016m as stated above.

**185. Safeguarding Implications**

186. Section to be completed

**187. Public Health Implications**

188. The Council moved swiftly to safeguard the health of its residents and staff during a period of threat unprecedented in living memory. As previously reported the financial implications of this have been harsh and have reached into every department in the Council. As the council is fundamental to the health of Enfield residents it needs to achieve financial balance.

189. This report notes the work that the Council is and has already undertaken and therefore in and of itself does not have public health implications. However, both the Office for Budget Responsibility (OBR) and the Institute for Financial Services (IFS) have both reported on the negative health effects of the 2008 financial crisis. In order to mitigate the effects of this current crisis the council will need to attain financial balance, consider what the 'new normal' might be and how this might be achieved whilst optimising resident's health.

**190. Equalities Impact of the Proposal**

191. 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.

192. Financial reporting and planning are important in ensuring resources are used to deliver equitable services to all members of the community.

193. **Environmental and Climate Change Considerations**

194. None in the context of this report.

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

196. None in the context of this report.

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

198. The budget risks during 2020/21 will be managed through detailed revenue monitoring reports provided regularly to Cabinet. Departments will take action to minimise budget pressures and align departmental spend to budgets. Action plans have been drawn up to manage controllable pressures in 2020/21.

199. **Financial Implications**

200. Financial implications are implicit in the body of the report. The variances and risks identified through the closure of accounts will be considered in the financial monitoring process for 2020/21.

201. **Legal Implications**

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

203. **Workforce Implications**

204. None in the context of this report.

205. **Property Implications**

206. None in the context of this report.

207. **Other Implications**

208. None in the context of this report.

209. **Options Considered**

210. Not relevant in the context of this report.

211. **Conclusions**

212. The Council is facing the most significant financial challenge that it has faced and the response to the crisis as laid out in the report and the work undertaken in previous years to create a robust and sustainable budget has

at least put the Council in a strong position. The level of overspend at £10.6m when taken into consideration with the levels of reserves will need continual careful and prudent financial management to ensure the long term sustainability of the Council's finances.

213. However, what has become clear through this 1<sup>st</sup> quarter monitor is the impact of the progress the Council was making pre pandemic and the £0.6m overspend once Covid-19 is removed from the figures, clearly demonstrates the progress made.

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## **Appendices**

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

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

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

[Appendix D: People Variances](#)

[Appendix E: Place Variances](#)

[Appendix F: Resources Variances](#)

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

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

[Appendix I: Achievement of Savings](#)

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

[Appendix K: Housing Revenue Account Variances](#)

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

[Appendix M: Reserves and Balances](#)

[Appendix N: Reserves usage over 5 year MTFP](#)

## **Background Papers**

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

Revenue Outturn 2019/20 – KD5151

Initial Assessment Report of the Financial Impact of Covid-19 – KD

In year savings 2020/21 - KD 5204

### Financial Resilience Key Performance Indicators

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

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

**Table 3: Summary performance overview**

Financial Indicator	Status	Key Highlights
Income & Expenditure Position – General Fund year end forecast variances		Year-end variances of £10.6m overspend in relation to General Fund net controllable expenditure. However, it should be noted that if the impact of Covid-19 and the Councils response is removed the Net Overspend is £0.6m.
Progress to Achieving Savings MTFP (current year)		Savings monitoring has identified a total of £3.9m considered a high risk rated/ undeliverable and a further £7.4m that are at risk of delivery. These are reflected in the reported overspend for quarter 1 2020/21.
Income & Expenditure Position – HRA		The HRA is projecting a £0.6m overspend, which is all related to the impact of the pandemic.
Income & Expenditure Position – DSG		The DSG forecast is a £2.5m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £7.0m and will be the first call on the 2021/22 grant allocation.
Cash Investments; Borrowing & Cash Flow		The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return.
Balance Sheet - General Fund balances year end projections		The outturn for General Fund balances will meet the Council's Medium Term Financial Plan target based on the use of uncommitted reserves to meet one-off overspends in 2020/21.

**Appendix B**

**Forecasted Financial Position as at Quarter 1**

	£m	£m	Commentary
<b>MHCLG Return June</b>		<b>64.282</b>	
Funding			
Share of £3.2bn	(17.919)		Adult Social Care formula for first tranche and population for second
Share of £0.5bn	(3.357)		New Relative Needs Formula
Sales, Fees & Charges support (estimate)	(4.054)		Uncertainty here, 75p in the £ support for losses over 5% against budget. Commercial income excluded but we're only reporting £0.436m. RO form line includes housing rents, client contributions etc. £120.408m in total.
Emergency Assistance Grant – Food & Essential Supplies	(0.426)	(25.756)	Grant directed through DEFRA
<b>Gap After Funding</b>		<b>38.526</b>	
Contingency	(3.000)		
In year Savings (Total of Appendices B to F once finalised)	(6.269)		
		(9.269)	
<b>Gap after Council Response</b>		<b>29.257</b>	
Q1 Revenue Pressure	2.380		
Applying Flexible Use of Capital Receipts	(1.814)		
<b>Q1 Net pressure</b>		<b>0.566</b>	
<b>Gap</b>		<b>29.823</b>	
<b>Funded by:</b>			
Collection Fund Deficit		(19.207)	As per Government option
<b>Gap</b>		<b>10.616</b>	
Covid-19 Reserve		(3.000)	
<b>Remaining shortfall</b>		<b>7.616</b>	

## Appendix C

<b>Chief Executive</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Human Resources</b> The overspends relates to anticipated shortfall on recharge income together with increased staffing expenditure to support increased workload including the Agency reduction strategy.	1.215	0.091	0.000	0.091
<b>Organisational Development</b> There is an expected shortfall in income as the service is unable to deliver face to face training but this is offset by underspends in the services salary budget.	0.635	(0.067)	0.000	(0.067)
<b>Legal Service</b> The forecast overspend is predominantly due to an increase in the number of Children's Social care cases and associated legal costs.	2.287	0.200	0.000	0.200
<b>Shareholder Strategy</b> Procurement and Commissioning co-managed contract costs funded by capital flexibilities as planned.	0.000	0.765	(0.765)	0.000
<b>Other variances</b>	6.889	0.028	0.000	0.028
<b>Chief Executive Total</b>	<b>11.026</b>	<b>1.017</b>	<b>(0.765)</b>	<b>0.252</b>

[Return to Chief Executive Narrative](#)

## Appendix D

People	Current Budget  (£m)	Gross Forecast Variance  (£m)	Flexible Use of Capital Receipts  (£m)	Net Forecast Variance  (£m)
<b>Adult Social Care</b>				
<b>Strategy &amp; Resources</b> These services include, grants to voluntary organisations, service development Safeguarding Adults and Safeguarding Adults, deprivation of liberty safeguards (dols) as well as brokerage, contract monitoring and Safe & Connected. With an increasing number of dols year on year, there is risk costs may increase with more activity.	5.096	0.000	0.000	0.000
<b>Mental Health</b> The service is currently projecting a zero variance.	6.074	0.000	0.000	0.000
<b>Learning Disabilities</b> The service is projected an overspend position as a result of managing demand led services. Savings will continue to be made in year however, demand for services continues to rise as a result of demographics, particularly complex and very expensive transition cases.	23.923	0.465	0.000	0.465
<b>Older People and Physical Disabilities (the Customer Pathway)</b> The service is currently projecting a zero variance, however with the current situation discussed in the paragraph 53, there is a risk that demand will increase in both residential and community based services.	32.545	0.000	0.000	0.000
<b>Regulated Services</b> This service includes the day centres, wheel chair, and equipment service and the in house residential and nursing home. These services are currently projected a zero variance.	10.259	0.000	0.000	0.000
<b>Other Minor variances</b>	0.809	0.028	0.000	0.028

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
Additional legal costs incurred and Children's safeguarding.				
<b>Adult Social Care Sub Total</b>	<b>78.706</b>	<b>0.493</b>	<b>0.000</b>	<b>0.493</b>
<b>Public Health Grant</b> The Departmental forecast also includes the ring fenced Public Health Grant. The Public Health grant in 2020/21 is £17.29m, this reflects an increase in the grant of grant of £0.905m. The increase in funding includes amounts for the NHS Agenda for Change. Additional pension and pay increases for NHS staff is 9%. There is a risk that demand led sexual health services could result in additional pressures.	(4.456)	0.000	0.000	0.000
<b>Public Health Sub Total</b>		0.000	0.000	0.000
<b>Housing Related Support</b> The service is reporting a zero variance, after circa £8m of savings have been achieved in this area.	2.709	0.000	0.000	0.000
<b>Housing Related Support Sub Total</b>	2.709	0.000	0.000	0.000
<b>Adult Social Care &amp; Public Health</b>	<b>76.959</b>	<b>0.493</b>	<b>0.000</b>	<b>0.493</b>
<b>Education</b>				
<b>Enhanced Pension costs</b> These are the cost of former employees on enhanced pension and forecasted variance is £0.121m.	2.016	(0.121)	0.000	(0.121)

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Other variances</b>	3.060	0.000	0.000	0.000
<b>Education Sub Total</b>	<b>5.076</b>	<b>(0.121)</b>	<b>0.000</b>	<b>(0.121)</b>
<b>Children and Families</b>				
<b>Children In Need</b> Minor overspends are reported in the service relating to long term sickness.	8.285	0.014	0.000	0.014
<b>Looked After Children</b> The £0.161m underspend is a result of £0.100m underspend in former unaccompanied asylum seeking children and vacancies within the services.	24.382	(0.161)	0.000	(0.161)
<b>Young People &amp; Community Safety</b> The underspend is due to the Young Londoners Fund covering projects costs.	3.721	(0.046)	0.000	(0.046)
<b>Joint Service for Disabled Children</b> The overspend is due to an increased demand in overnight breaks, commissioning and Direct Payments.	2.701	0.036	0.000	0.036
<b>Other Variances</b> This is predominantly the cost of legal disbursements incurred. However, as per the Budget Report a pilot scheme for 1 year to evaluate the use of Virtual Reality to improve Social Worker practice and increase recruitment and retention of Foster Carers will be funded through the flexible use of capital receipts.	3.502	0.170	(0.045)	0.125
<b>Children's and Families Services Sub Total</b>	<b>42.591</b>	<b>0.013</b>	<b>(0.045)</b>	<b>(0.032)</b>

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>People Department Total</b>	<b>124.626</b>	<b>0.390</b>	<b>(0.045)</b>	<b>0.345</b>

[Return to People Narrative](#)

## Appendix E

Place	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
<b>Traffic &amp; Transportation</b> The forecast variance is due to additional Traffic Order income.	0.179	(0.072)	0.000	(0.072)
<b>Parking Enforcement</b> The forecasted variance is a result of putting in place additional traffic enforcement and parking control measures.	2.320	(0.200)	0.000	(0.200)
<b>Waste Services</b> The overspend is due to the mobilisation costs of implementing waste service change.	8.386	0.143	(0.143)	0.000
<b>Parks Activities &amp; Engagement</b> This is due to underspends in salary costs and other operational expenditure plus forecasted improved income from allotments.	(0.227)	(0.073)	0.000	(0.073)
<b>Passenger Transport Service</b> The £0.120m relates to the Brokerage Team and is the continuation of the historic pressure as reported in the 2019/20 outturn.	8.406	0.120	0.000	0.120
<b>Strategic Property Services</b> The £0.232m is from underspends in the services salary budget.	(1.351)	(0.232)	0.000	(0.232)
<b>Sustainability Team</b> Underspends due to vacant posts and operational budgets.	0.456	(0.065)	0.000	(0.065)

Place	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
<b>Culture Services</b> The overspend is continuation of previous year's budget pressure.	(0.095)	0.500	0.000	0.500
<b>Other variances</b>	3.263	(0.254)	0.000	(0.254)
<b>Place Department Total</b>	<b>34.056</b>	<b>0.055</b>	<b>(0.143)</b>	<b>(0.088)</b>

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## Appendix F

<b>Resources</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>IT</b> The £0.460m reflects the part year impact from implementing the new IT structure, which will reduce the current pressure.	10.825	0.460	(0.460)	0.000
<b>Knowledge &amp; Insights Team</b> The forecasted favourable variance is due to vacant posts in the team.	1.484	(0.091)	0.000	(0.091)
<b>Customer Operations</b> An overspend on the 2020/21 budget is forecast as contract costs relating to 2019/20 have been incurred in this financial year.	1.849	0.150	0.000	0.150
<b>Libraries</b> Vacant posts within the service are contributing towards the favourable variance forecast.	2.386	(0.102)	0.000	(0.102)
<b>Transformation</b> The forecast overspend is transformation project costs and are planned as described in the Budget Report 2020/21 to be funded by the Flexible use of capital receipts.	0.248	0.408	(0.408)	0.000
<b>Other variance</b> The flexible use of capital receipts will fund cost incurred in the Payments Programme as agreed in the Budget Report.	20.857	0.150	(0.050)	0.100
	<b>37.649</b>	<b>0.975</b>	<b>(0.918)</b>	<b>0.057</b>

[Return to Resources Narrative](#)

**Appendix G**

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
<b>Chief Executive</b>			
Loss of income in Legal services		0.100	
25% loss of income in Registrars services in the first quarter		0.144	
Schools Personnel service loss of income		0.009	
Design and Print service loss of income resulting from school closures and Council partners not placing orders during pandemic.		0.080	
<b>People</b>			
<b>Adult Social Care</b>			
Additional Social Workers/agency staff-MH	0.062		
Additional agency AMHP SWs	0.041		
Additional Social Workers/agency staff-OP/PD Social workers and OTs	0.285		
Additional Social Workers/agency staff-Enablement staff DTA	0.154		
Additional Social Workers/agency staff-LD	0.048		

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
IWE costs – Enablement staffing costs	0.420		
IWE costs – additional equipment from the stores i.e. beds/PPE, equipment to support more rapid hospital discharges. Also, the stores staff are now open for extended hours and providing a service at the weekend.	0.250		
20% additional staff at Bridgewood in preparation for taking patients direct from hospital.	0.750		
Safe and connected equipment and software	0.075		
Safe and connected and Brokerage- 7 FTE	0.115		
Increased costs of Enablement staff and Discharge to Assess staff in MH	0.061		
Expenditure on P-cards: food, supplies, care of pets, transport.	0.412		
Additional payments to providers, for additional staffing and equipment OP/PD plus increase care cost for those being discharged from hospital. i.e. rapid admission to residential and nursing home for clients who otherwise would have been diverted to community.	2.076		
Additional payments to providers, for additional staffing and equipment MH plus increase care cost for those being discharged from hospital. i.e. rapid admission to residential and nursing home for clients who otherwise would have been diverted to community.	0.075		
Older People – Closure of day centres and additional costs of providing individual care at home.	0.250		
One off payments to Social Care providers at £1,000 each for Personal Protective Equipment	0.250		

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Additional long term care purchasing costs as a result of cancelation of routine operations, hip, knee etc	0.750		
Double running of care costs where carers go are off sick-LD	0.283		
Learning Disability Service – closure of day centres and additional costs of providing individual care at home. School and college closures and increased costs to keep people safe	0.250		
Learning Disability Service – Placement breakdown	0.540		
Risk of rejected costs of Hospital Discharge Programme (ASC & CF)	0.548		
Additional respite to support family/carers in the community to prevent hospital admission/carer breakdown	0.045		
Employment support and counselling service expanded to cover the whole social care provider network	0.050		
Loss of income in Adult Social Care		0.362	
<b>Public Health</b>			
Closure of Silver point clinic, additional costs of out of borough STIs	0.050		
Additional use of the e-service for STIs	0.004		
<b>Children's &amp; Families</b>			

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Impact on Secure remand placements as a result of the delay in court dates for long trials	0.497		
Care placements, support packages into homes to safeguard children particularly but not exclusively children with SEND and/or severe emotional and mental health needs e.g. it could cost up to £250k to support 1 child to stay at home with 3 carers 24 hours a day at the most complex end of the scale or it could cost 25k.	0.900		
Increase numbers of children to look after where parents are very ill. Estimate 20 children ranging in cost from 45k per year to 100k.	1.150		
Extra staffing and overtime	0.200		
24 hour support line for foster carers and providers to stabilise placements	0.012		
Increase numbers of agency staff	0.500		
Block booking placements	0.140		
PPE for Children's Services (including Leaving care)	0.020		
Other Children's related expenditure.	0.020		
Increased support for care leavers, increased allowances and cost of accommodation.	0.100		
<b>Education</b>			
Administration of U18s travel	0.150		

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Loss of service income		0.012	
<b>Place</b>			
Homelessness Demand & Price modelling (expenditure)	1.850		
44 emergency bed spaces for rough sleepers	0.350		
Homelessness Demand & Price modelling (savings)			1.800
Additional agency staff to cover for workers that may become ill or are self-isolating: 2 x Rough Sleeper Outreach Workers / Navigators this will cost £40k for 6 months.	0.030		
Additional costs of deep cleaning, food for self isolating rough sleepers cost will be £20k for 3 months	0.020		
Edmonton Travelodge	0.570		
In reach support officers	0.070		
Deposits/rent in advance for rough sleepers	0.052		
Additional staffing cover for refuse/street scene employees due to age of workforce.	0.897		
Fleet operatives Covid-19 cover and additional work	0.203		
Additional waste management/fleet hire/street cleaning in order to ensure that all waste is collected during Covid-19 crisis	0.021		

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Additional waste management fleet hire	0.283		
Additional street cleaning only	0.326		
Additional duties in Parks & Additional cemetery work	0.158		
Reopening Barrowell Green	0.054		
Mortuary and funerals (Haringey shared service)	0.063		
Delays to street lighting savings	0.050		
Additional cleaning, hand sanitizers and materials in council buildings	0.268		
Temporary building arrangements	0.007		
Economic Development (assisting local businesses)	0.070		
Temporary highway interventions to assist social distancing.	0.050		
Enforcement of Covid-19 restrictions in parks	0.102		
Development Management loss of income across Building control, planning fees		0.348	
Land charges loss of income		0.100	

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Loss of CIL income in strategic planning and design		0.050	
Highways service loss of income across advertising, skip licences, crossovers, suspension of scaffolding works and staff diverted to non fee earning work.		0.308	
The estimated pressure in Traffic & Transportation is due to the reduction of salary recharges to LIP funded schemes, but this has partially been offset through the expected income surplus from Road Traffic Orders. TFL have withdrawn the LIP allocations for 2020/21). But there is a partial recovery plan - i.e. T&T to work more on S106 funded schemes. Therefore, the reported variance is a conservative estimate and will be reviewed in the coming months to reflect changes in S106 or TFL allocations.		0.276	
Loss of income in from the boroughs Car parks and Pay & Display		0.617	
Loss of income from Parking Enforcement		2.820	
Loss of income across Regulatory Services including licensing, food hygiene courses and Pest Control services.		0.098	
An increase in income is forecast resulting from an increase in demand during the pandemic.		(0.185)	
Loss of income from commercial and schedule 2 waste services.		0.463	
Parks operations loss of income.		0.025	
Income loss across Parks activities and engagement which includes sports pitches and events held in parks.		0.292	
Estimated loss of income resulting from the contract with the Councils Leisure centre provider and the sports activity programme.		0.505	

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Loss of income from the provision of the Passenger Transport service.		0.100	
Loss of income across Strategic Property Services which includes commercial rents, filming income, staff car parking and youth services.		0.790	
Reduction in recharges to the Capital programme.		0.150	
Net loss of income in Culture services.		0.736	
Loss of meanwhile use income at Meridian Water.		0.507	
<b>Resources</b>			
Civica on Demand telephony working at home costs	0.044		
Civica on Demand Extra staff - Benefits	0.067		
Civica on Demand Extra Staff - Telephony	0.050		
Discretionary Housing Payments (DHP) - additional over government allocation	0.500		
Additional Resources: Debt Collection/Benefit Maximisation	0.250		
Converting to an out of hours service	0.115		
Estimated £0.900m, although some of this would have been to deliver projects that are delayed – but mainly that all plans now have to be changed to accommodate Covid-19.			0.900

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Additional Kit: Already purchased/purchasing – Keyboards/Mice (£40k), Jabras (£15k), Possibly wi-fi dongles (100 = £10k including usage – maybe more)	0.091		
Contingency cost: additional out of hours support, licence increases, capacity and security	0.121		
Staff time in Resources teams spent on Shielding	0.037		
Customer service overtime and backfill of posts through use of agency staff	0.089		
Net loss of income due to library closures		0.236	
Net loss of income in schools catering due to school closures		0.452	
Music service net loss of income		0.040	
Loss of income from Court cost		1.031	
Housing Benefit overpayment income collection		1.657	
Other Resources services loss of income e.g. recharges		0.192	
<b>Corporate</b>			
Share of increase mortuary and coroners' provision across London.	0.858		
Increased residual waste tonnages collected due to extra waste collections and it should be noted that extra Waste has been produced due to the pandemic and lockdown.	0.860		

<b>Covid-19 Impact</b>	<b>Additional Expenditure (£m)</b>	<b>Loss of income (£m)</b>	<b>Impact on Savings (£m)</b>
Community Resilience Hub	2.000		
Contingency for unknown costs	0.500		
Personal Protective Equipment across all Council services	0.200		
Communications with residents, banners, posters and guidance	0.025		
Collection Fund Bad Debt Provisions	2.600		
Bad Debt Provisions for Sundry, Housing Benefit overpayments and Court cost income	7.205		
Council Tax Collection		11.024	
Business Rate Collection		5.564	
<b>Covid-19 Total</b>	<b>32.640</b>	<b>28.942</b>	<b>2.700</b>

[Return to Covid-19 Narrative](#)

**Use of Capital Receipts in 2020/21**

**Appendix H**

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
<b>People</b>		
Children's & Families	0.045	Pilot scheme for 1 year to evaluate the use of Virtual Reality to improve Social Worker practice and increase recruitment and retention of Foster Carers.
<b>Chief Executive</b>		
Procurement and Commissioning co-managed service contract	0.765	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-manage 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.
<b>Resources</b>		
Exchequer Services	0.050	Revenue costs associated with the implementation of PayPoint which forms part of the Payments Programme and the options considered for transforming the Counter Service and face to face payment options.
IT	0.460	The service is continuing to implement changes to the infrastructure contracts aimed at achieving significant cost reductions and transforming how services are delivered.
Transformation	0.408	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

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		<p>other resources, as required for each individual project. This includes delivery of new operating models, structures, processes and culture driven by user needs and enabled by technology. Capital receipts are used to support the funding of the following programmes: Payments, Children’s Transformation, Build the Change, Customer Experience.</p>
<b>Place</b>		
<p>Mobilisation costs associated with the implementation of waste service changes</p>	<p>0.086</p>	<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"> <li>• To collect refuse every fortnight rather than weekly (collections from the property will be made on the alternative week to collections for dry recycling)</li> <li>• To collect dry recycling every fortnight rather than weekly (collections from the property will be made on the alternative week to collections for refuse)</li> <li>• To provide a new service of a weekly separate food waste collection</li> <li>• To introduce a £65 per year charge to collect garden waste from households that opt</li> <li>• into the scheme (additional bins per property will be charged at £65 per year)</li> <li>• recruitment of 2 additional Recycling Officers</li> <li>• recruitment of 2 additional Enforcement Officers</li> </ul>

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		<ul style="list-style-type: none"> <li>• To invest £500k in Street Cleaning Services.</li> </ul> <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>
<b>Total to be funded from the Flexible Use of Capital Receipts 2020/21</b>	<b>1.814</b>	

[Return to Capital Receipts Narrative](#)

## Achievement of Savings and Income in MTFP

Savings by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0	(0.157)	(3.291)	(0.200)	0	(3.648)
New 2020/21	(0.300)	(1.842)	(2.465)	(2.409)	(2.250)	(9.266)
<b>Savings Total</b>	<b>(0.300)</b>	<b>(1.999)</b>	<b>(5.756)</b>	<b>(2.609)</b>	<b>(2.250)</b>	<b>(12.914)</b>

Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0	0	0.444	0	(0.075)	0.369
New 2020/21	(0.100)	(0.410)	(1.899)	(0.230)	0	(2.639)
<b>Income Total</b>	<b>(0.100)</b>	<b>(0.410)</b>	<b>(1.455)</b>	<b>(0.230)</b>	<b>(0.075)</b>	<b>(2.270)</b>

Total Savings & Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0	(0.157)	(2.847)	(0.200)	(0.075)	(3.279)
New 2020/21	(0.400)	(2.252)	(4.364)	(2.639)	(2.250)	(11.905)
<b>Total</b>	<b>(0.400)</b>	<b>(2.409)</b>	<b>(7.211)</b>	<b>(2.839)</b>	<b>(2.325)</b>	<b>(15.184)</b>

Total Savings & Income by Department by Risk Status	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
Blue	0	(0.107)	(0.737)	0	0	(0.844)
Green	(0.150)	(0.732)	(1.358)	(0.354)	(0.325)	(2.919)
Amber	(0.250)	(1.570)	(3.027)	(0.585)	(2.000)	(7.432)
Red	0	0	(2.089)	(1.900)	0	(3.989)
<b>Total</b>	<b>(0.400)</b>	<b>(2.409)</b>	<b>(7.211)</b>	<b>(2.839)</b>	<b>(2.325)</b>	<b>(15.184)</b>

[Return to Achievement of Savings Narrative](#)

## Savings &amp; Income Monitor

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
CEX	CEX	New 2020/21	Savings	Improve our registration offer to local residents	1.5	0
CEX	CEX	New 2020/21	Savings	Reduce printing	3.0	(50)
CEX	CEX	New 2020/21	Income	Review of recharges	3.0	(100)
CEX	CEX	New 2020/21	Savings	Organisational Review Saving	5.0	(250)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Corporate	Corporate	New 2020/21	Income	Review HRA recharges, MRP policy and capitalisations and application of grants	0.0	0
Corporate	Corporate	FYE	Income	Tax base Growth	1.5	(75)
Corporate	Corporate	New 2020/21	Savings	Obtain rebates by using Purchase Cards for energy bills and matrix invoicing	1.5	(100)
Corporate	Corporate	New 2020/21	Savings	Tail spend savings. Supplier manages spend for the council. Savings achieved through economies	2.5	(150)
Corporate	Corporate	New 2020/21	Savings	Take system credits as a one-off saving, then assume £500k each year ongoing saving	5.0	(2,000)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
People	ASC	FYE	Savings	Reardon Court - Extra Care	1.5	0
People	ASC	New 2020/21	Savings	Increased use of Assistive Technology and support through the VCS	1.5	(100)
People	ASC	New 2020/21	Savings	Reduction in print costs	1.5	(25)
People	ASC	FYE	Savings	Reduction in management as a result of service re-modelling	2.5	(157)
People	ASC	New 2020/21	Savings	Reduced costs of care through early intervention	2.5	(110)
People	ASC	New 2020/21	Savings	Maximisation of IWE resource for day services	3.0	(90)
People	ASC	New 2020/21	Savings	More efficient processing of DoLs and care of Pets	3.0	(40)
People	ASC	New 2020/21	Savings	Review of residential placements to secure appropriate supported living	5.0	(200)
People	ASC	New 2020/21	Income	Increased income through fees and charges for chargeable Adult Social Care Services	7.0	(320)
People	C&F	New 2020/21	Savings	Reduction in business support (vacant post)	0.0	(39)
People	C&F	New 2020/21	Savings	Block booking semi-independent accommodation	3.0	(60)
People	C&F	New 2020/21	Savings	Reducing placement cost	5.0	(140)
People	C&F	New 2020/21	Savings	Reduction in early retirement pension budget	0.0	(58)
People	C&F	New 2020/21	Savings	Reduction in reparation due to Police contribution	0.0	(10)
People	Education	New 2020/21	Income	DSG Funding and capital recharges	1.5	(90)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
People	PH	New 2020/21	Savings	PH Restructure 1FTE in PH Commissioning Team (part of 970k in MTFP)	3.0	(60)
People	PH	New 2020/21	Savings	Reducing Out of borough Sexual Health spend (part of 970k in MTFP)	4.5	(100)
People	PH	Previous Years	Savings	Public Health Restructure	5.0	0
People	PH	New 2020/21	Savings	Review of commissioning contracts 0-19 Contract (part of 970k in MTFP)	7.0	(810)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Place	All	FYE	Savings	Management actions to contain pressure	0.0	(379)
Place	All	FYE	Income	Increase income across R&E	0.0	(250)
Place	All	FYE	Savings	Organisational Review Savings	0.0	(198)
Place	Env & Ops	FYE	Income	Additional T&T income from recharges to capital	0.0	0
Place	Meridian	FYE	Income	Meridian Water Meanwhile Use income	0.0	1,190

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Place	Env & Ops	New 2020/21	Savings	Vehicle Fleet Replacement – through borrowing instead of leasing	0.0	(1,200)
Place	Env & Ops	New 2020/21	Savings	In house Parks/Cemeteries contracts efficiency	0.0	(50)
Place	Property	FYE	Savings	Energy Saving Initiatives	0.0	150
Place	Env & Ops	FYE	Savings	Stop School Crossing Patrols	1.5	(34)
Place	Planning	New 2020/21	Income	Increase in fee income from Design Review Panel	1.5	(50)
Place	Property	New 2020/21	Income	Genotin Road Car Park Redevelopment	1.5	93
Place	Property	New 2020/21	Savings	Montagu Industrial Estate Redevelopment	1.5	0
Place	Property	New 2020/21	Savings	FM Contracts and resourcing (Security contract saving)	1.5	(78)
Place	Property	New 2020/21	Savings	lease termination of 59 Church Street retail shop	1.5	(40)
Place	Property	New 2020/21	Income	Reardon Court Development Rental Income	1.5	0
Place	Property	New 2020/21	Savings	Terminate Triangle House Lease	1.5	0
Place	Property	New 2020/21	Savings	Close John Wilkes House (sale to HRA?)	1.5	(20)
Place	Property	New 2020/21	Savings	Insource Cleaning Contract ongoing efficiencies	1.5	0
Place	Property	New 2020/21	Income	Sub-stations rent reviews	1.5	0
Place	Property	New 2020/21	Savings	Lease vacant space at Centre 14, Claverings	1.5	(20)
Place	Env & Ops	New 2020/21	Income	Traffic order income	1.5	(160)
Place	Meridian	New 2020/21	Income	MW retail income (MW Non Residential Rental Income)	1.5	0
Place	Env & Ops	New 2020/21	Savings	Additional LED streetlight savings	1.5	0
Place	All	New 2020/21	Income	Inflation uplift on external clients and receipts income	1.5	0
Place	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (iv): 1% increase on the TA rent roll	1.5	(20)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>Place</b>	Env & Ops	New 2020/21	Income	Commercialisation of the Fleet Workshop	1.5	(50)
<b>Place</b>	Meridian	New 2020/21	Income	Staff capitalisation to MW, due to increased staffing levels to meet the revised MW scope	1.5	(70)
<b>Place</b>	Property	New 2020/21	Savings	Vacating St Andrews Court	2.5	158
<b>Place</b>	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (i): TA void loss	2.5	(180)
<b>Place</b>	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (iii): Additional Decants	2.5	(200)
<b>Place</b>	Planning	New 2020/21	Income	CIL and S106 Admin Fee Income to Strategic Planning and Design Team	3.0	(50)
<b>Place</b>	Planning	New 2020/21	Income	Fee income from Urban Design / Heritage / Planning consultancy services	3.0	(50)
<b>Place</b>	Planning	New 2020/21	Income	Building Control Plan Drawing Service	3.0	0
<b>Place</b>	Property	New 2020/21	Savings	Close Alan Pullinger Centre	3.0	(50)
<b>Place</b>	Env & Ops	New 2020/21	Income	Crematorium Development	3.0	0
<b>Place</b>	Env & Ops	New 2020/21	Income	Scaffolding Income	3.0	(50)
<b>Place</b>	Property	New 2020/21	Income	Reprofiled Holly Hill Bunding Income	3.5	(487)
<b>Place</b>	Planning	FYE	Income	Building Control Income	4.5	(50)
<b>Place</b>	Property	FYE	Income	Market Rentals for Council Properties	4.5	(50)
<b>Place</b>	Env & Ops	FYE	Savings	Waste Savings	5.0	(1,800)
<b>Place</b>	Env & Ops	FYE	Savings	LED Street Lighting	5.0	(250)
<b>Place</b>	Property	New 2020/21	Income	Claverings: close Ark, rent it out	5.0	128

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>Place</b>	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (ii): TA Repairs & Maintenance	5.0	(250)
<b>Place</b>	Env & Ops	FYE	Income	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	7.0	(390)
<b>Place</b>	Env & Ops	FYE	Income	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	7.0	(6)
<b>Place</b>	Env & Ops	New 2020/21	Income	Southgate Cemetery Cemeteries Mausoleum and Vaulted graves sales	7.0	156
<b>Place</b>	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (v): High value debt cases	7.0	(350)
<b>Place</b>	Property	Previous Years	Income	Leisure services	7.0	0
<b>Place</b>	Env & Ops	New 2020/21	Savings	Parking Contract Renewal	7.5	(165)
<b>Place</b>	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (iv): Flexible Housing phased over 2 years	7.5	0
<b>Place</b>	Meridian	New 2020/21	Income	MW Meanwhile use income	10.0	(1,309)
<b>Place</b>	Housing	FYE	Savings	Temporary Accommodation - Future Years	10.5	(780)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
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Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>Resources</b>	Finance	New 2020/21	Savings	Update of financial systems. Alternative to SAP & BPC.	1.5	0
<b>Resources</b>	Finance	New 2020/21	Income	Review of staff capitalisation across the finance team	1.5	0
<b>Resources</b>	Finance	New 2020/21	Income	Payroll Service expansion to schools	1.5	0
<b>Resources</b>	Finance	New 2020/21	Savings	Staff savings from implementation of a vendor payment portal	1.5	0
<b>Resources</b>	Finance	New 2020/21	Savings	Single view of the customer debt	1.5	0
<b>Resources</b>	Finance	New 2020/21	Savings	Greater automation to reduce staff resources in administering DWP notifications	1.5	0
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Customer Service Centre demand reduction and channel shift	1.5	0
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Reducing costs associated with data storage	1.5	0
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Reducing cost of maintaining staff laptops and devices.	1.5	0
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Application Rationalisation - ongoing reduction of other applications	1.5	0
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Rationalisation of telephony contracts	1.5	0
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Automation of routine processes including the exploration of Artificial Intelligence	1.5	0
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Reduction in the usage of the interpreting contract	1.5	0
<b>Resources</b>	Finance	FYE	Savings	Payments Programme - new system allowing efficiencies in Exchequer	2.5	(200)
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Review of out of hours contracting arrangements; early exit termination fees apply.	3.0	(14)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>Resources</b>	All	New 2020/21	Savings	Sustainable council: reduction in printing across the council by 15%	3.0	(50)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Community Libraries sundry income	3.0	(25)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Community libraries. Wireless self service printing to generate income	3.0	(25)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Investment in a sensory room for use by individuals, companies and schools	3.0	(20)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Makerspaces. Equipping community rooms to support crafting and other skill development	3.0	(20)
<b>Resources</b>	Finance	New 2020/21	Savings	Automation of processes and the use of online forms to facilitate savings within the financial assessments and income & debt teams	4.5	(20)
<b>Resources</b>	All	New 2020/21	Savings	Organisational Review Saving	5.0	(225)
<b>Resources</b>	Customer Exp	New 2020/21	Savings	Re-procurement of bulk printing and postage contract	5.0	(200)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Digital support to the UK immigration and visa verification service.	5.0	(140)
<b>Resources</b>	Commercial	New 2020/21	Savings	Procurement saving resulting from replacing our digital customer platform	10.5	(600)
<b>sources</b>	Customer Exp	New 2020/21	Savings	New arrangements for hosting ICT applications and mobile phone contract reductions	15.0	(1,300)

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## Appendix K

<b>Housing Revenue Account (HRA)</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance inc Covid-19</b>	<b>Variance Exc. Covid-19</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Supervision and Management (General)</b> *Housing Development & Estate Renewals *Director Housing Management *Tenancy and Estate Management *Income Collection *Re-Housing *Home Ownership & RTB's *Communications	14.266	14.588	0.292	0.000
<b>Supervision and Management (Special)</b> *Grounds Maintenance *Energy *Communal Services *Sheltered Housing *Concierge & CCTV	7.595	7.595	0.000	0.000
<b>Repairs Admin</b> *Housing Prof Services *Technical Services	1.529	1.529	0.000	0.000
Repairs Base: Responsive & Planned	12.848	12.848	0.000	0.000

<b>Housing Revenue Account (HRA)</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance inc Covid-19</b>	<b>Variance Exc. Covid-19</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
Rates - Council Tax on Estate Renewals	0.630	0.630	0.000	0.000
Rates - Business Rates & Council Tax	0.092	0.092	0.000	0.000
HRA Surplus (to fund Capital)	3.609	3.609	0.000	0.000
Bad Debt Provision	0.710	0.710	0.000	0.000
Capital Financing	24.592	24.592	0.000	0.000
Rents Dwellings	(57.846)	(57.742)	0.104	0.000
Rents Non Dwellings (Shops/Garages/Community Halls)	(3.126)	(2.879)	0.247	0.000
Interest on HRA Balances + RTB mortgages	(0.324)	(0.324)	0.000	0.000
Corporate & Democratic Core	0.367	0.367	0.000	0.000
Leaseholders Service Charges	(4.942)	(4.942)	0.000	0.000
<b>HRA Total</b>	<b>0.000</b>	<b>0.643</b>	<b>0.643</b>	<b>0.000</b>

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**Appendix L**

<b>Dedicated Schools Grant</b>	<b>Forecast Variance</b>  <b>(£m)</b>
<b>High Needs Block</b> The main pressures relate to the development of additional in borough provision and the increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools which are partly offset in favourable changes in the Out of borough placements.	2.534
<b>DSG Total</b>	<b>2.534</b>

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## Appendix M

Reserves	31 March 2020 (Outturn Report) £m's	Change to Statement of Accounts £m's	31 March 2020 £m's	Forecast Transfers 2020/21 £m's	Forecast Balance 31 March 2021 £m's
<b>General Fund</b>					
<b>Risk Reserve</b>	<b>(8.304)</b>	<b>0.000</b>	<b>(8.304)</b>	<b>8.750</b>	<b>0.446</b>
<b>Covid-19 Reserve</b>	<b>(3.000)</b>	<b>0.000</b>	<b>(3.000)</b>	<b>3.000</b>	<b>0.000</b>
<b>Balance Sheet Management</b>	<b>(2.270)</b>	<b>(1.930)</b>	<b>(4.200)</b>	<b>0.000</b>	<b>(4.200)</b>
Collection Fund Equalisation EM reserve	(10.543)	0.000	(10.543)	0.000	(10.543)
Housing Benefit Smoothing Reserve	(2.638)	0.000	(2.638)	0.000	(2.638)
North London Waste Authority Reserve	(1.349)	0.000	(1.349)	0.800	(0.549)
<b>Medium Term Financial Planning</b>	<b>(14.530)</b>	<b>0.000</b>	<b>(14.530)</b>	<b>0.800</b>	<b>(13.730)</b>
<b>Smoothing Reserves</b>					
Salix Fund	(0.726)	0.000	(0.726)	0.400	(0.326)
MRP Equalisation	(17.742)	2.404	(15.338)	0.000	(15.338)
Interest Rate Fluctuations	(8.190)	0.000	(8.190)	0.000	(8.190)
<b>Capital Financing Reserves</b>	<b>(26.658)</b>	<b>2.404</b>	<b>(24.254)</b>	<b>0.400</b>	<b>(23.854)</b>
Service Specific Reserves	(11.781)	(2.775)	(14.556)	3.038	(11.518)
Property	(2.125)	0.000	(2.125)	0.363	(1.762)
Covid-19 Grant	(8.521)	0.000	(8.521)	8.521	0.000
Other Grant Reserves	(5.573)	(4.184)	(9.757)	(1.810)	(11.567)
<b>Grants &amp; Other Contributions</b>	<b>(14.094)</b>	<b>(4.184)</b>	<b>(18.278)</b>	<b>6.711</b>	<b>(11.567)</b>
<b>General Fund Usable Reserves Sub Total</b>	<b>(82.762)</b>	<b>(6.485)</b>	<b>(89.247)</b>	<b>24.496</b>	<b>(66.185)</b>
Insurance	(7.021)	0.000	(7.021)	0.000	(7.021)
General Fund Balance	(13.950)	0.000	(13.950)	0.000	(13.950)
<b>Total General Fund Reserves and Balances</b>	<b>(103.733)</b>	<b>(6.485)</b>	<b>(110.218)</b>	<b>24.496</b>	<b>(87.156)</b>

<b>Reserves</b>	<b>31 March 2020 (Outturn Report) £m's</b>	<b>Change to Statement of Accounts £m's</b>	<b>31 March 2020  £m's</b>	<b>Forecast Transfers 2020/21 £m's</b>	<b>Forecast Balance 31 March 2021 £m's</b>
<b>HRA</b>					
HRA Repairs Fund	(22.320)	0.323	(21.997)	0.000	(21.997)
HRA Insurance	(0.324)	0.000	(0.324)	0.000	(0.324)
<b>Total HRA Reserves</b>	<b>(22.644)</b>	<b>0.323</b>	<b>(22.321)</b>	<b>0.000</b>	<b>(22.321)</b>
HRA Balance	(4.623)	0.000	(4.623)	0.000	(4.623)
<b>Total HRA Reserves and Balances</b>	<b>(27.267)</b>	<b>0.323</b>	<b>(26.944)</b>	<b>0.000</b>	<b>(26.944)</b>
<b>Schools</b>					0.000
Schools' Balance	3.193	0.000	3.193	0.000	3.193
Dedicated Schools' Grant	4.482	0.000	4.482	2.534	7.016
<b>Total Schools' Reserves and Balances</b>	<b>7.675</b>	<b>0.000</b>	<b>7.675</b>	<b>2.534</b>	<b>10.209</b>

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Chart 2: Reserves Usage over 5 year MTFP



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