

## London Borough of Enfield

**Cabinet**

**3 February 2021**

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**Subject: Revenue Monitoring 2020/21: Quarter 3 (Dec. 2020)**

**Cabinet Member: Cllr. Maguire**

**Executive Director: Fay Hammond**

**Key Decision: 5203**

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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 December 2020. The report sets out the position and despite the impact of Covid-19 demonstrates that the Council has maintained progress on the journey of establishing a robust and resilient financial position prior to the outset of the pandemic.
2. The revenue budget forecast including the impact of Covid-19, Government support and the Council's response is an £1.6m favourable variance, compared to the £0.4m overspend reported at Quarter 2. It should be noted that without the £6.3m in year savings identified as part of the Council response the Council would be a £4.7m adverse position and more importantly these are one offs. If the impact of Covid-19 is set aside, the underlying budget position at Quarter 3 is a £1.4m favourable variance which continues to demonstrate the progress the Council is making on establishing a robust budget. This is set out in Appendix B; the report is set out as follows:
  - i. Paragraphs 33 to 109 provide the underlying position in the General Fund as at Quarter 3 of £1.4m favourable variance after the flexible use of capital receipts are of £1.9m are applied.
  - ii. Paragraphs 110 to 143 provides an update on the Covid-19 financial impact of £73.1m. The movement from quarter 2 is summarised in Table 3 of the report. It should be noted that this figure is the gross expenditure regardless of funding received. This now includes for example the NHS hospital discharge expenditure, Infection control grant and new grants allocated since quarter 2. The Government's response in terms of additional funding is highlighted in paragraph 22 and 27.
  - iii. Paragraphs 145 to 147 describes the Council's response to the pandemic, savings, income proposals of £6.269m.

- iv. Paragraphs 28 and 143 discuss the option to run a Collection Fund deficit and the implications of doing so on this year's finances and the ongoing 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 £73.1m. This includes expenditure incurred within Adult Social Care relating to hospital discharge programme and is funded via the NHS.
4. The forecasted position includes circa £35m of Government funding. This has been in the form of £30.9m support grant which has supplemented the Council's response. At the same time the Government also introduced 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 and this remains the position following submission of two of the three claims that will be submitted this financial year. Alongside the £30.9m support grant, the Government has made further specific ring-fenced funding available and these total £19.4m.
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 had been planned to be used to help mitigate the Covid-19 pressure for 2021/22 but given the latest forecast position will now be transferred to the risk reserve in order to support the budget for 2021/22 and beyond.
6. Once the impact of Covid-19 and the in year savings have been considered within the departmental forecasts, the revenue forecast adverse variance is £0.4m and after the application of capital receipts for transformation purposes of £1.9m, the net favourable variance is £1.4m.
7. The Government announced that the Council could run a Collection Fund deficit which will transfer the 2021/22 cost of £12.7m over the next three years.
8. The overall impact on the Council's General Fund is a favourable variance of £1.6m which will mean an addition to the Council's reserves. Along with the addition of the contingency to reserves and no longer drawing down from reserves as planned in the budget, means that the Council is able to bolster its reserves and help preserve the level of reserves for future years.
9. The Dedicated Schools Grant is forecasting an outturn position of a deficit of £3.410m. With the £4.482m deficit brought forward from 2019/20, the cumulative forecast deficit at year end is £7.892m 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 report provides an update on the forecast position for the level of reserves as at the end of 2020/21.
11. The Council remains in a financially challenging position for 2021/22. Due to the work ensuring financial resilience and sustainability the underlying budget is in good health. However, there is significant risk and uncertainty due to the ongoing pandemic and £3.188m is needed to be applied from

reserves to address the Collection Fund deficit and £1.926m from the risk reserve to balance the overall budget for 2021/22.

### **Proposals**

12. Cabinet is recommended to;
13. Note the General Fund and Dedicated Schools Grant (DSG) forecast revenue outturn position for 2020/21.
14. Note the Covid-19 impact of £73.1m or £18.9m net of grants and Council's response to mitigating this pressure.
15. Note that without the pandemic the Council's service budgets are reporting a £1.4m favourable variance.
16. Note that the £1.6m planned drawdown from reserves and the corporately held contingency budget of £3m will no longer be required, enabling reserves to be strengthened.
17. Note the progress made on the journey to setting a robust and resilient budget.
18. Request Executive Directors continue to work with Cabinet Members to robustly manage the underlying budget position and implement savings, whilst managing, mitigating and minimising the Covid-19 financial impact.
19. It is recommended that Cabinet Members note the forecast level of reserves and implications for 2020/21 and over the life of the MTFP.
20. Note the challenging financial position and need to draw on reserves to balance the overall budget for 2021/22.

### **Reason for Proposals**

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

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

22. The General Fund and DSG Outturn Report sets out how the Council has best used its limited resources to deliver the Council's objectives in 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**

23. 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.

24. The Council responded rapidly to the Covid-19 crisis ensuring that it supported the community as effectively as possible in very challenging circumstances. This continues to have a significant financial impact as first reported to Cabinet in May. At the time the pressures were £68.1m and whilst this has been under continual review and refined, the latest forecast at £73.1m is still the most significant challenge the Council has faced.
25. The forecasted position includes circa £35m of Government funding. The Government has provided much needed funding of £30.9m to support the Council's response. This has been in the form of four tranches of Covid-19 support funding i.e. the authority's allocation from the national allocations of £3.2bn, the £0.5bn and a further £1bn. At the same time the Government also introduced further support to help manage the loss of sales and fees and charges income which will be administered through three claims to be submitted this financial year. The first two claim have been submitted by the end of December 2020 to cover the period April to November 2020 and are in line with the original total forecast of circa £4m.
26. Other funding announcements were also made in late October such as further Business Support packages, Contain Outbreak Management Fund and GLA funding for Rough Sleeping Accommodation Programme and more the implications and the extent that they could impact on the current pressures are reflected within the forecasts reported in this report.
27. Further instalments of the Contain Outbreak Management Fund are anticipated to be received whilst National Lockdown and Tier restrictions continue (depending upon which Tier the borough is in). The implications and plans for this additional funding are being worked through.
28. The Government has recently announced an additional £149m grant system to support increased testing in care homes (December 2020) and £120m fund for local authorities to boost staffing levels (January 2021), a total of £269m nationally. Based on previous allocations the estimated allocation for both these funds is £1.081m.
29. The £149 million grant (Enfield's allocation £0.599m) is ringfenced for lateral flow device testing in adult social care. Local authorities will be required to pass on 80 per cent of the funding to care homes on a per beds basis, with 20 per cent used at the local authority's discretion to support the care sector in delivering additional lateral flow device testing.
30. The £120m grant (Enfield's estimated allocation £0.482m) is to protect and support the social care sector, including care homes and domiciliary care providers, by increasing workforce capacity and increasing testing. This will be used to provide additional care staff where shortages arise, support administrative tasks so experienced and skilled staff can focus on providing care and help existing staff to take on additional hours if they wish with overtime payments or by covering childcare costs.

31. Recent Government announcement will mean that the Council could run a Collection Fund deficit i.e. carry forward the deficit and recover the position over the next three years. This will reduce the £12.7m impact on 2020/21 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.
32. As set out in the Cabinet report of 15th July, the Medium Term Financial Strategy (MTFS) sets 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 though it should be noted that these are one off savings.
33. Given the forecasted position the £3.0m use of contingency is no longer required. and once the favourable variance on the underlying budget is taken into consideration the remaining pressure is £11.2m.
34. As stated above, running a Collection Fund deficit will reduce this pressure by £12.7m, resulting in an overall favourable variance of £1.6m.
35. The 2020/21 budget relied on a one-off use of reserves of £1.56m from the Reserves. The forecast as at Quarter 3 means that there will no longer be a need to draw down from reserve as planned.
36. In July 2020, the Financial Strategy set out the response to Covid19 which included a review of all Reserves. The objective was to ensure that the Council remained financially resilient over the medium term by reviewing the adequacy of the risk and smoothing reserves to meet the uncertain times ahead resulting from the pandemic This review identified service specific and earmarked reserves that have been transferred to the Risk Reserve, as set out in the Reserves Section (paragraph 168).
37. The £73.1m financial pressures 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 110 to 143 and detailed in [Appendix G](#). It should be noted that these now reflect gross expenditure incurred regardless of the funding source, e.g. the cost of hospital discharge is reimbursed by the NHS and both the expenditure and income are now reported gross.
38. 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 33 to 109. 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 and the Dedicated Schools Grant (DSG) forecast outturn for 2020/21, with details of variations provided in [Appendices C](#) to F (General Fund) and [Appendix K](#) (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 L](#). Use of capital receipts to fund transformation expenditure is summarised in [Appendix H](#).

## **Main Considerations for the Council**

### **39. General Fund Quarter 3 Forecast Outturn**

40. 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 adverse variance by implementing offsetting savings measures. All Executive Directors reporting adverse variance 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).
41. 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.
42. Table 2 sets out the Covid-19 associated pressures the Council is experiencing by department.
43. The forecast position from quarter 2 to quarter 3 has changed by £1.1m on the underlying budget and £4.0m with Covid-19. The key headlines that have driven this change are as follows and summarised in Table 3:
  - a. Covid-19 position summary changes:
    - i. Reduction in the estimated impact of the extension of the furlough scheme on the Collection fund deficit resulting in a lower estimate of £6.3m
    - ii. Increased loss of sales, fees and charges of £2.3m e.g. increased loss in schools catering services and further forecast loss of parking receipts
    - iii. Costs now have grossed up to reflect all Covid-19 related funding e.g. new grants such as the Winter Scheme Grant but also for existing funding such as the Infection control grants and NHS hospital discharge
    - iv. Reduced expenditure forecasts for both Adults and Children's Social Care
  - b. Underlying budget position key changes:
    - v. North Central London Councils have agreed with the NHS that they will continue to fund the additional client costs of hospital placements and avoidance as a result of Covid-19 for this financial year which has reduced the forecast variance by circa £0.8m in Adult Social Care.
    - vi. Children's & Families have seen favourable movement in former unaccompanied asylum seeking children and £0.200m from

maximising benefits for care leavers. However, these help to mitigate a £0.324m overspend in external childcare placements.

- vii. In Place, Parking enforcement are forecasting a favourable variance due traffic enforcement and parking control measures. However, following an ongoing review of the revenue charges to capital, the revenue costs associated with the Meridian Water programme have resulted in a forecast adverse variance.
- viii. Whilst in Resources, Digital Services are reporting an adverse movement resulting from increase data storage costs in a recent contract renewal.
- ix. Due to the overall position, the planned drawdown of £1.6m from reserves will no longer be required, which will be reflected as an adverse variance in the corporate financing budgets.

44. **Table 1: General Fund Quarter 3 Projected Departmental Outturn Variances 2020/21**

Department	Net Budget	Total Gross Forecast Outturn	Flexible use of Capital Receipts	Total Net Forecast Variance incl. Covid-19 & In Year Savings	Net Variance excl. Covid-19 & In year savings		Covid-19 Total Impact (see Table 2)	Covid-19 Funding / Collection Fund	In Year savings
Chief Exec	11.705	12.976	(0.765)	0.506	0.180		0.326	0.000	0.000
People	124.575	131.954	(0.045)	7.334	(1.666)		19.692	(10.592)	(0.100)
Place	33.095	47.668	(0.228)	14.345	(1.846)		17.995	(1.804)	0.000
Resources	37.475	46.670	(0.886)	8.309	0.346		9.576	(1.613)	0.000
<b>Service Net Costs</b>	<b>206.850</b>	<b>239.268</b>	<b>(1.924)</b>	<b>30.494</b>	<b>(2.986)</b>		<b>47.589</b>	<b>(14.009)</b>	<b>(0.100)</b>
Corporate Expenses	29.917	34.328	0.000	4.411	0.000		6.511	0.000	(2.100)
Bad Debt Provisions	0.791	7.097	0.000	6.306	0.000		8.660	(2.354)	0.000
In Year Savings	4.069	0.000	0.000	(4.069)	0.000		0.000	0.000	(4.069)
Contingency	3.000	3.000	0.000	0.000	0.000		0.000	0.000	0.000
<b>Net Expenditure</b>	<b>244.627</b>	<b>283.693</b>	<b>(1.924)</b>	<b>37.142</b>	<b>(2.986)</b>		<b>62.760</b>	<b>(16.363)</b>	<b>(6.269)</b>
Expenditure financed by:								0.000	
Business Rates	(98.666)	(98.666)	0.000	0.000	0.000		3.640	(3.640)	0.000
Council Tax	(134.051)	(134.051)	0.000	0.000	0.000		6.755	(6.755)	0.000
Other non-ring-fenced Government Grants	(10.345)	(50.639)	0.000	(40.294)	0.000		0.000	(40.294)	0.000
Reserves	(1.565)	0.000	0.000	1.565	1.565		0.000	0.000	0.000
<b>General Fund Financing</b>	<b>(0.000)</b>	<b>0.337</b>	<b>(1.924)</b>	<b>(1.587)</b>	<b>(1.421)</b>		<b>73.155</b>	<b>(67.052)</b>	<b>(6.269)</b>

\*These figures total £12.749m 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**

Department	Net Budget	Covid-19 Additional Expenditure	Covid-19 Loss of Income	Covid-19 Impact on Savings Programme	Covid-19 Total Impact
		£m	£m	£m	£m
Chief Exec	11.705	0.069	0.257	0.000	0.326
People	124.575	19.239	0.453	0.000	19.692
Place	33.095	7.754	8.391	1.850	17.995
Resources	37.475	3.539	5.037	1.000	9.576
<b>Service Net Costs</b>	<b>206.850</b>	<b>30.601</b>	<b>14.138</b>	<b>2.850</b>	<b>47.589</b>
Corporate Expenses	29.917	6.511	0.000	0.000	6.511
Bad Debt Provisions	0.791	8.660	0.000	0.000	8.660
<b>In Year Savings</b>	<b>4.069</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Contingency	3.000	0.000	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>244.627</b>	<b>45.772</b>	<b>14.138</b>	<b>2.850</b>	<b>62.760</b>
Expenditure financed by:					
Business Rates	(98.666)	0.000	3.640	0.000	3.640
Council Tax	(134.051)	0.000	6.755	0.000	6.755
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>45.772</b>	<b>24.533</b>	<b>2.850</b>	<b>73.155</b>

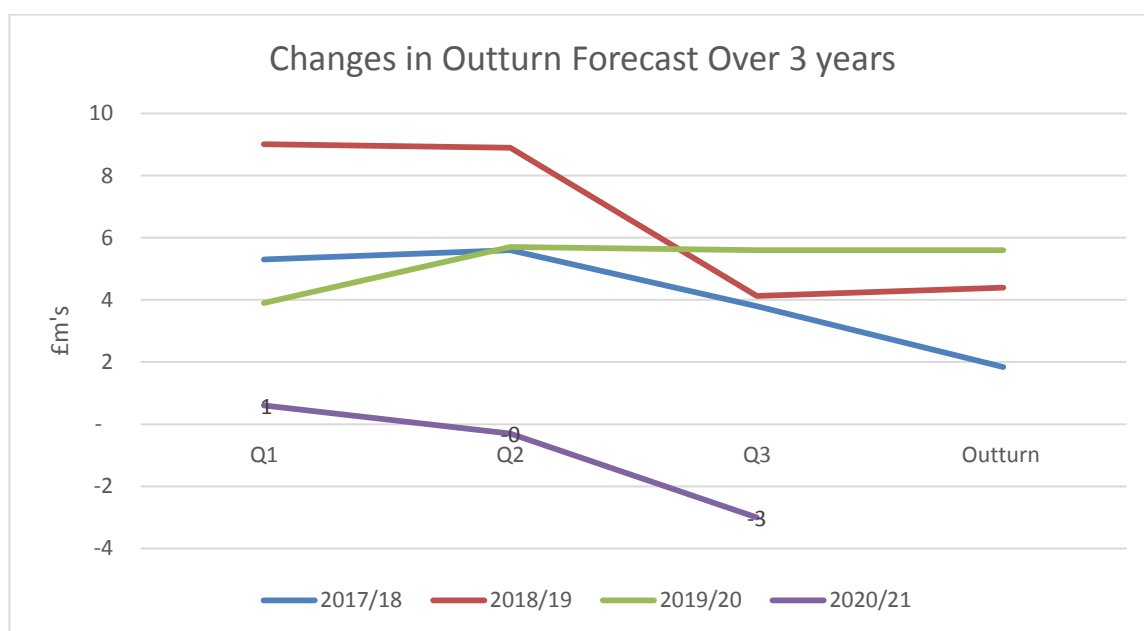
Budgets shown in Tables 2 and 3 are controllable departmental budgets excluding capital and asset impairment charges, which are not directly controlled by departments.

**Table 3: Summary of changes in Financial Position Quarter 3 to Quarter 2**

	Quarter 3 £m	Quarter 2 £m	Notes
<u>Covid-19 Impact</u>			
Additional Expenditure	37.112	23.519	Includes gross grant spend and updated for new grant funded spend (e.g. Winter Grant scheme)
Loss of Income	14.138	11.846	
Impact on Savings Programme	2.850	2.850	
Bad debt provision	8.660	9.805	
Collection fund income reduction	10.395	16.607	Furlough extended and review of forecast resulting in lower estimate
<b>Total Covid-19 costs</b>	<b>73.155</b>	<b>64.627</b>	
Collection deficit income and debt c/f	(12.749)	(19.207)	
<b>Covid-19 cost net of c/f collection fund</b>	<b>60.406</b>	<b>45.420</b>	
Funded by:			
Covid-19 grant	(35.374)	(35.374)	
Grants (other/new)	(18.929)	0.000	New or existing grossed up
<b>Covid-19 cost net of grant and c/f collection fund</b>	<b>6.103</b>	<b>10.046</b>	Reduced ASC and C&F forecasts and application of grants.
Offset by Council savings	(6.269)	(6.269)	
Contingency budget	0.000	(3.000)	This contingency can now be set aside to support 2021/22 costs
Underlying Budget variance favourable variance	(2.986)	(0.345)	
Planned use of reserves	1.565	0.000	The planned drawdown of reserves to balance the 20/21 budget is no longer required
<b>Year end forecast</b>	<b>(1.587)</b>	<b>0.432</b>	

45. 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.
46. 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.
47. 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.

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



49. 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
  - Update on the DSG
  - The financial management key performance indicators set out in [Appendix A](#).

50. **Departmental Monitoring Information – Budget Pressures and Mitigating Actions (net variance, excluding Covid-19)**
51. **Chief Executive's ([Appendix C](#))**
52. The Chief Executive's department is forecasting a net adverse variance of £0.180m against a budget of £11.7m and the department has contributed £0.434m to the in year savings to mitigate the financial pressure relating to Covid-19.
53. There is a reduced forecast overspend in Human Resources of £0.085m resulting from a forecast shortfall in recharge income together with increased staffing expenditure required to support the increased workload including the agency reduction strategy.
54. The Organisational Development service are forecasting a £0.117m favourable variance which is mainly due to a salary budget favourable variance, however the service is also experiencing an income shortfall because the service is unable to deliver face to face training. The increase of £50k from Q2 is as a result of inability to deliver to the originally planned training schedule.
55. Legal services are forecasting to be £0.300m overspent which is due to an increase in the number of children's social care cases and associated legal costs.
56. Electoral services are forecasting an overspend of £0.104m due to the retention of an electoral consultant which has been required to be extended throughout the year.
57. A favourable variance of £93k is forecast in Strategy, Partnership, Engagement and Consultation is now forecast which is the outcome from further controls on expenditure within the service.
58. Delays to planned campaigns have resulted in a forecast favourable variance in the Communications team of £78k.
59. **Use of Capital Receipts:**
60. 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.
61. Further details of the Chief Executive department's outturn variations are provided in [Appendix C](#).
62. **People ([Appendix D](#))**
63. The department's forecast outturn is a £1.7m favourable variance against the budget of £124.6m. This is an improved position on the neutral position forecast at Quarter 2. The main variations are as follows:

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

65. Adult Social Care services are forecasting a favourable variance of £0.6m across all services, which reflects an improved position on the £0.5m overspend forecast in Quarter 2.

66. Key assumptions within the forecast are based on projected activity and year to year trends. The continuation of the effects of Covid-19, use of NHSE funding for hospital discharge cases, have made forecasting extremely difficult. NCL Councils have agreed with the NHS that they will continue to fund the additional client costs of hospital placements and avoidance as a result of Covid-19 for this financial year. There is a risk that NHS funding for this will cease and therefore the Council will be responsible for these costs. This has made trend analysis extremely challenging in year. Additional provider costs due to Covid-19, demographic and inflationary pressures and changing client needs mean the projected outturn, whilst containing an element of risk may change.

67. **Public Health**

68. The Public Health grant is ring fenced grant that can only be used for public health functions. Currently the forecast is a £0.3m favourable variance. This is due to favourable variances in out borough sexual health testing and treatment and health checks which are usually performed by GPs, not taking place due to the pandemic. These costs and activity are expected to increase in 2021/22.

69. Providers of substance misuse services have also reported a 700% cost increase for buprenorphine, a drug prescribed for Opiate Substitution Therapy (OST). If the service is to maintain a choice in OST (if not, only methadone will be prescribed), this will have a significant impact on costs in 2021/22.

70. It is proposed that the forecast favourable variance be carried forward into 2021/22 in order to mitigate the risks of increase costs resulting from the two issues raised above and therefore show a neutral position for Public Health services.

71. And it should be noted that due to the better than forecast outturn position for 2019/20, £0.25m that was transferred to earmarked reserves will contribute to the Covid-19 pressures as part of the department's in year savings.

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

73. There are only a few General Fund services in Education and the cost of former employees on enhanced pension is forecast to be £0.145m favourable variance at the year end.

74. Children's and Families services are forecasting a favourable variance of £0.923m. There are favourable variances reported across the service.

75. A £0.360m favourable variance is forecast due to delays in recruitment and vacancies in the Looked After Children and Leaving care social work teams as well as the Heart (Virtual School) and the Edge of Care team.

76. The former Unaccompanied Asylum Seeking Children costs continue to forecast an favourable variance due to benefit maximisation and clients moving to their own accommodation.
77. Through benefit maximisation for care leavers, the in year saving of £0.200m has been achieved.
78. A £0.100m favourable variance is forecast due to reduced demand levels in the Prevention of Care (section 17) service.
79. Whilst Community Safety is forecasting £0.115m favourable variance resulting from vacancies in the service and Young Londoners Funding covering project costs.
80. The main adverse variances are reported in In House Fostering where court delays in granting Special Guardianship Orders (SGOs) and new placements have resulted in increased costs of £0.349mm. However, this has led to a forecast favourable variance in the SGO budget of £0.400m.
81. The cost of external child care placements is now reporting a £0.324m overspend due to an increase in the number of placements in Residential provision, high risk semi-independent placement and unachieved savings due to delays in finalising the tender for block-booking as a result of Covid-19.
82. Increased demand for overnight breaks and Direct payments plus the addition of two complex needs cases are forecast have resulted in a £0.296m pressure. Support costs for Looked After Children are also forecasting a £0.144m overspend due to a case with very complex needs. The forecast overspend for legal disbursements incurred has however reduced to £66k. The complex care cases and legal disbursement have been recognised as on ongoing pressures and will be included in the 2021/22 MTFP.
83. **Use of Capital Receipts:**
84. 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 but is now being progressed and forecast to require the £45k as planned.
85. **Housing Related Support**
86. For the first time in several years, the service continues to forecast 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.
87. Further details of People outturn variations are provided in [Appendix D](#).
88. **Place** ([Appendix E](#))

89. The Place department is reporting a forecast £1.846m favourable variance once the impact of Covid-19 and offering in year savings of £2.2m have been considered, which is an improved position of £1.172m on the £0.674m favourable variance reported at Quarter 2.
90. Favourable variances and improvements are being forecast in services across the department. Traffic & Transportation services continue to forecast a favourable outturn variance of £0.135m due to additional Traffic Order income,
91. Parking Enforcement of £1.961m as a result of putting in place additional traffic enforcement and parking control measures;
92. Waste services are forecasting a favourable variance of £0.149m due to an increased take up in the number of garden waste subscriptions and reduction in operational costs. Whilst Commercial waste services are forecasting a favourable variance of £0.100m due to improved Schedule 2 income and operational efficiencies.
93. Parks Operations and Activities & Engagement of £0.108m due to favourable variances in salary costs and other operational expenditure plus forecasted improved income from allotments.
94. Strategic Property Services which is forecasting a £0.282m favourable variances in the services salary budget due to vacancies and the Morson Depot rent review.
95. And whilst the Homelessness Service The Homelessness Service continues to manage challenging demand pressures, the service is now forecasting an underlying variation to budget of £0.168m as a result of increased accommodation costs, however, the service continues to see a reduction in the number of No Recourse to Public Funds cases leading to a forecast favourable variance of £0.350m.
96. An adverse variance continues to be forecasted in Passenger Transport Service and Culture services which are reporting £0.148m and £0.596m respectively and these are continuations of previous year's budget pressures. The Culture service has been actively seeking additional funding and successful bids to the Department of Culture, Media and Sport have helped reduce the Covid-19 related pressure. The underlying budget pressure has been in place for some time, following a challenging saving target of £700k in 2017-18 which was not fully realised. Although costs have reduced during this time the underlying pressure will need to be addressed through the Medium Term Financial Plan for 2021/22.
97. Spatial Planning is forecasting a £0.126m overspend resulting from a £0.227m forecast overspend in Local Plan making/Local Plan, partially offset by favourable variance in reported in Planning of £0.101m, predominantly due to an improving income forecast and vacancies in the Land charges service.
98. Following an ongoing review of the revenue charges to capital, the Meridian Water team are forecasting an adverse variance of £0.663m related to the non capital elements of the Meridian Water programme.
99. Highway services are forecasting a £70k favourable variances due to improved scaffolding income and recharges to the capital programme.

100. **Use of Capital Receipts:**

101. 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 £0.103m for 2020/21.

102. In order to deliver the new Housing Advisory Service investment totalling £0.125m has been required for the implementation of the new allocations system, establishment of Enfield Lets, implementation of the LIFT dashboard and review of accommodation provided at Brickfield House that have been identified for funding via the flexible use of capital receipts. These are all investments agreed through Cabinet when agreeing the new Homelessness model

103. Further details are provided in [Appendix E](#).

104. **Resources ([Appendix F](#))**

105. The Resources Department is reporting a net variance of £0.346m after the application of capital receipts against a net budget of £37.475m. 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.

106. The Procurement team are forecasting a £0.151m favourable variance resulting from vacant posts held whilst a new structure is implemented. The Commercial team is also reporting a favourable variance of £0.084m due to vacant posts.

107. An overspend of £0.655m is forecast within Digital Services which is predominantly due to the Azure storage cost renewal.

108. The Knowledge & Insights Team continues to forecast a favourable variance due to vacant posts within the service.

109. The Library service is reporting a favourable variance due to controls on service expenditure.

110. Whilst adverse variance on the 2020/21 budget which were forecast in quarter 2 for both Customer Operations and Exchequer Services have improved, with both services forecasting a favourable variance as at quarter 3.

111. The Court costs income are all reported against Covid-19 and that there was an underlying pressure pre Covid-19 which will be resolved through the Medium Term Financial Plan for 2021/22.

112. **Use of Capital Receipts:**

113. There is a forecast pressure within IT of £0.452m which reflects the part year impact from implementing the new IT structure, which will reduce the current pressure and is transformational in nature.



114. 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.
115. Since quarter 2 a new requirement has been identified and that is the implementation of the Social Value Portal and the associated training programme which is estimated to cost £50k.
116. Further details of Resources outturn variations are provided in [Appendix F](#).
117. **Covid-19 Pressures ([Appendix G](#))**
118. **Chief Executive's: net Resources budget is £11.705m; the total estimated additional costs of £0.326m (2.8%)**
119. The impact in the Chief Executive's department continues to predominantly 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.
120. **People: Adult Social Care (ASC) and Public Health – net budget is £76.818m; the total estimated additional costs of 16.509m (Gross i.e. includes NHS Hospital discharge costs), £5.9m (Net) 7.7%**
121. The impact on Adult Social Care (ASC) continues to be mainly related to additional cost. The current forecasted pressure directly in the department is £5.9m. The most significant cost pressures are judged to be additional staffing costs of £0.830m for additional staffing across ASC services. Additional payments to care providers for increase costs due to additional staffing and increase costs due to rapid admission to residential and community, who otherwise might have been diverted into the community is £1.100m. Additional PPE and equipment cost not funded by grants is £1.280m. There are also costs for additional placement breakdowns, and additional respite costs of £0.3m, Bridgewood House to enable taking patients directly from hospital is estimated to be £0.260m and additional costs as a results of delays in routine operations such as, hip and knee £0.450m. Additional payments as a result of closure of day centres meaning increased costs of individuals being care for at home £0.150m. .
122. In addition, Covid-19 has also impacted on the departments income through delays in completing financial assessments, with the impact forecasted to be approximately £0.300m.
123. The NHS Hospital discharge programme has cost a further £4.5m though this is recovered from the additional Government funding that has been allocated to the NHS.
124. There have been two tranches of the Infection Control grant totalling £5m which has been passported on to care providers in line with the grant conditions.

125. The forecasts include the two new grants announced by the Government in the last week which are for Rapid Testing and increasing staffing capacity in social care providers and are estimated to be circa £1.1m
126. **People: Education – net budget is £5.100m; the total estimated additional costs are £0.153m (3.0%)**
127. The previous forecast pressure related to the Government proposal to remove free travel for U18's, however since the last report this has now been resolved and is no longer a pressure. However, a new loss of income pressure has been identified within the sports and swimming services whereas a result of the National Lockdowns the purchase of sessions by schools has reduced over the Autumn and Spring terms resulting in a forecast £0.153m loss of income.
128. **People: Children's & Families – net budget is £42.657m; the total estimated additional costs of £3.030m (7.1%)**
129. The additional cost forecast has reduced to £3.030m for quarter 3. The most significant costs forecast at £0.4m being due to delays in court days impacting on the length of secure remand placements. 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 is forecast to cost an additional £0.3m and the increase in the numbers of children looked after where parents fall very ill could cost £1.3m based on an estimate of 20 children.
130. **Place – net budget is £33.095m; the total estimated additional costs of £17.995m gross (54%) and £16.694m net (50%) once specific funding for rough sleepers is included**
131. 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 £0.7.
132. 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 and Culture Services.
133. The current forecast net loss of income for Culture Services is £0.3m which is an improved position on quarter 2 because the service successfully bid for additional funding from the Department for Culture, Media and Sport which help contribute towards the impact on the services income.
134. The most substantial loss of income continues to be experienced in the decline in Parking income, though there was a slight improvement forecast in the quarter 2 forecast, the Tier restrictions and National Lockdowns since mean less travel undertaken and less use of car parks, and therefore for the forecast has again increased to £4.8m forecast loss of receipts.

135. 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. A further cost of £0.6m was incurred to manage and prepare for future provision of mortuary capacity.
136. Operational services such as Waste, fleet, 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 forecast to be a gradual removal of additional resources required with a total forecast cost of £2.6m. 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.
137. The service has a 9 point plan to decrease the amount of Temporary Accommodation which is a key part of the new model including its funding. This is described below:
- i. Reduced ability to move residents on into the private rented sector.
  - ii. Restraint on actions to cease the Council's duty. There is a backlog of circa 260 cases where decisions are awaited. However, it would be inappropriate to issue these decisions at this time other by consensus without alternative more suitable accommodation to move to.
  - iii. 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. Enfield Let is underway and has housed some former EA tenants, however progress has been slower than anticipated due to Covid-19 lockdowns causing delays in property inspections. Capital Letters have housed approximately 90 homeless families to date which is less than expected.
  - iv. The increase in the LHA rate has made more PRS properties affordable to residents but has also led to a rise in rent levels. The overall impact of this is positive for many residents but also means that there are fewer properties that can be afforded by those who are benefit capped. The Everyone In programme saw large numbers of single homeless people provided with emergency accommodation across London. Boroughs are now trying to source move on accommodation and this has meant unprecedented demand for one bed and studio flats. This impacts on the services ability to secure move on accommodation. Coupled with this, many of the single people accommodated have support needs that need to be addressed as part of any move on plan.
  - v. Until recently the TA portfolio and procurement activity has been geared around family sized accommodation. The service is now in the process of reviewing the portfolio and procurement priorities to address changing needs.

- vi. Additional investment into the Homelessness Service has been made through increased MHCLG grant. 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.
138. The Council is incurring additional costs for rough sleepers as a result of the initial “everyone in” agenda and the move on accommodation required as a result which the service has successfully bid for additional funding from the MHCLG and GLA:
- i. Additional agency staff to cover for workers that may become ill or are self-isolating,
  - ii. Self contained accommodation for rough sleepers will be an additional cost of £0.350m.
  - iii. Though the use of Edmonton Travel Lodge for emergency accommodation has now ceased, this did cost £0.570m
  - iv. Additional costs of deep cleaning, food for self isolating rough sleepers cost will be £20k.
  - v. In reach support officers
  - vi. Deposits and rent in advance for rough sleepers
139. 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. During Quarter 2, the service bid for and was successfully awarded £1.181m for interim accommodation for Rough Sleepers and has recently been awarded a further £0.120m for move on costs which will reduce the overall exposure. It has also secured £10m for revenue and capital support for permanent housing.
140. **Resources: net Resources budget is £37.475m; the total estimated additional costs of £9.576m (125.5%)**
141. 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. Other areas of additional expenditure incurred relate to managing the demand for Customer operations and income collection, whilst the later has also had to administer the support grants to local businesses.
142. There is an estimated loss of income across services in the department of £5.037m with the most significant being the collection of Housing Benefit overpayments, libraries, the schools catering service, music services and recovery of court costs. Covid19 has impacted on the delivery of some of the library income generating projects that were agreed for the 2020/21 budget.

143. The forecast also includes expenditure of £1.2m that will be funded via the Winter Grant scheme and the self isolation payments of £0.3m which are also funded from a specific government grant.

**144. Corporate**

145. A Community Resilience Hub was established to support vulnerable residents and in particular, clinically extremely vulnerable resident with provision of food and access to supermarket delivery slots, pharmacy collections and isolation phone calls. This service is operating through the contact centre and is also supported by the voluntary sector. The forecast cost of these operations is £2m to the end of the year.

146. 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.

147. 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 £6.3m. The impact on the Council Tax and Business Rates Bad Debt Provisions is included in the Collection Fund impact below.

**148. Collection Fund**

149. The total impact on the Collection Fund is currently forecast to be £12.749m. This can be further broken down by:

	<b>£m</b>
Council Tax collection	6.755
Business Rates collection	3.640
Collection Fund Bad Debt Provisions	2.354
<b>Total</b>	<b>12.749</b>

150. The Government has 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 £4.250m as the deficit will need to be recovered.

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

152. 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. This position remains unchanged since quarter 2 and totals £6.269m for the Council's response.

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

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

155. 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.

156. 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.

157. 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.

158. The Budget Report 2020/21 set out the plan for use of capital receipts this financial year. The forecast remains broadly in line with the agreed plan, however there are new requirements identified in Digital Services, Financial & Commercial and the Homelessness Service. Digital services have identified the need for additional resources to develop business cases for new projects as part of the portfolio pipeline. The Procurement team within Finance & Commercial are implementing the Social Value Portal. Whilst, in Homelessness, three transformational activities have been identified which includes the implementation of the new allocations system, establishment of Enfield Lets and review of accommodation needs. The total forecasted call on capital receipts as at quarter 3 is £1.924m as described in [Appendix H](#).

**159. Achievement of Savings ([Appendix I](#) and [Appendix J](#))**

160. A risk-based approach to the monitoring of savings is undertaken as part of the monthly budget monitoring, where a score is given in relation to the value of saving or income and the likelihood of delivery, these are then multiplied together, and the total score provides the following risk ratings:

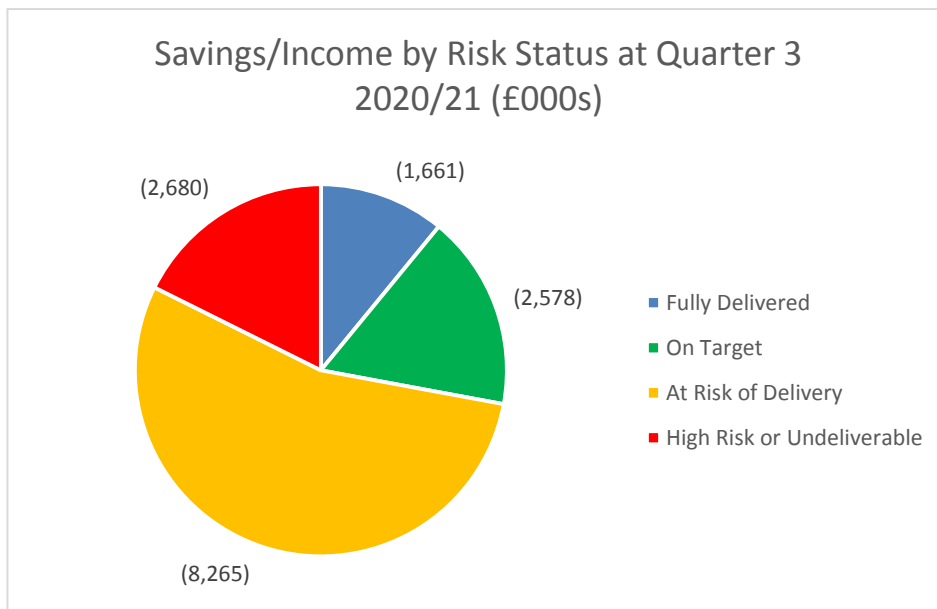
- Blue - Saving/ income has been fully delivered
- Green - Saving/ income is on target for delivery
- Amber - Saving/ income is at risk of delivery
- Red - Saving/ income is high risk or undeliverable

161. The savings include those that are new for 2020/21 plus the full year effect of previous decisions.

162. Of the £15.1m departmental savings, £4.2m is expected to be fully delivered at this stage. This consists of £0.5m which have been fully achieved and a further £3.2m which are on track for delivery.

163. However, £8.3m and £2.7m 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.

164. Chart 2: Savings/Income Risk Status 2020/21



165. Further details for each department are summarised in the charts and tables in [Appendix I](#) and [Appendix J](#).

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

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 £3.410m. 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 £7.892m and will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation.
171. The authority's ongoing and increasing DSG deficit position is a general London and national issue resulting from additional demand for high needs provision which is increasing at a higher rate than the additional funding being provided by Government. The Department for Education are carrying out a review of SEND services and it is hoped that the outcome of this will address the shortfall in high needs funding.

**172. Earmarked Reserves (Appendix L)**

173. The forecast level of Reserves as at quarter 3 is summarised in the table below:

	<b>Q3</b>	<b>Q2</b>
General Fund Useable Reserves	(78.841)	(70.990)
General Fund Balance	(13.950)	(13.950)
HRA Reserves	(21.820)	(21.820)
HRA Balance	(4.415)	(4.623)
Schools' Balances	3.193	3.193
Dedicated Schools Grant	7.892	7.143

174. 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.
175. The Risk reserve has significantly reduced over the past couple of years and had been forecast to be in deficit by end 2020/21 based on the Quarter 2 overall financial position. A review of Service Specific and earmarked reserves was completed in the last quarter and £10.4m was transferred to replenish the risk reserve and though the forecast outturn has improved, this remains an important and prudent action given the ongoing financial uncertainty created as the pandemic continues. The balance is now forecast to be £22.3m after the transfer of £3.0m contingency and no longer applying the planned £1.6m use of reserves set out in the 2020/21 budget.
176. The General Fund Balances are forecast to be held at £13.950m (on a net budget of £244m, i.e. 5.7%; 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 over the course of 2020/21 considering the new risks and uncertainty brought about by Covid-19.



177. 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.
178. The £21m of Capital and Minimum Revenue Provision reserves are committed for the next five years to smooth any increased budget requirement.
179. The chart in [Appendix M](#) 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.
- 180. Medium Term Financial Impact**
181. The Council remains in a financially challenging position for 2021/22. Due to the work ensuring financial resilience and sustainability the underlying budget is in good health. However, there is significant risk and uncertainty due to the ongoing pandemic and £3.188m is needed to be applied from reserves to address the Collection Fund deficit and £1.926m from the risk reserve to balance the overall budget for 2021/22.
182. Full details of the of the 2021/22 budget and MTFP 2021/22 to 2025/26 can be found in the Budget Report 2021/22 and Medium Term Financial Plan 2021/22 to 2025/26 report (KD5213) which goes to the same Cabinet as this report on the 3<sup>rd</sup> February 2021.
- 183. Safeguarding Implications**
184. There are no specific safeguarding implications arising out of these recommendations, other than to note the financial impact of safeguarding children and adults in the borough.
- 185. Public Health Implications**
186. 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.
187. 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.
- 188. Equalities Impact of the Proposal**

189. 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.

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

**191. Environmental and Climate Change Considerations**

192. None in the context of this report.

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

194. None in the context of this report.

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

196. 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.

**197. Financial Implications**

198. 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.

**199. Legal Implications**

200. 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.

**201. Workforce Implications**

202. None in the context of this report.

**203. Property Implications**

204. None in the context of this report.

**205. Other Implications**

206. None in the context of this report.

207. **Options Considered**

208. Not relevant in the context of this report.

209. **Conclusions**

210. The Council is continuing to face its most significant financial challenge 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. Whilst the position since Quarter 1 has improved due to further Government funding and reduction in variances across Departments, there is of course the continued uncertainty around the impact of the second wave and the adverse impact on the additional costs and income losses currently forecast. The end of the Furloughing scheme will undoubtedly see a further rise in unemployment in the Borough with further cost pressure on Council Tax Support and Council services. This is of major concern with the number of working age adults in the Borough claiming unemployment benefits having already increased 162% between January and October this year (from 7,285 to 19,120). When taken into consideration with the levels of reserves this will need continual careful and prudent financial management to ensure the long term sustainability of the Council's finances.
211. However, what has become clear through the first three Quarters of this financial year is the impact of the progress the Council was making pre pandemic and the £3.0m favourable variance on the underlying budget once Covid-19 is removed from the figures, clearly demonstrates the progress made.

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Date of report: 26th January 2021

**Appendices**

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

[Appendix B: Forecasted Financial Position as at Quarter 3](#)

[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: Designated Schools' Grant Variances](#)

[Appendix L: Reserves and Balances](#)

### **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
- In year savings 2020/21 - KD 5204
- Revenue Monitoring 2020/21: Quarter 1 (June 2020) - KD5198
- Revenue Monitoring 2020/21: Quarter 2 (September 2020) - KD5200
- Medium Term Financial Plan 2021-22 to 2025-26 Update and Early Savings report - KD5215

### 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 favourable variance of £1.6m in relation to General Fund net controllable expenditure. Within this is a Net favourable variance of £1.4m on the underlying budget including the one off in year savings to mitigate Covid-19 pressure. Therefore, this remains a challenging financial position due to Covid-19.
Progress to Achieving Savings MTFP (current year)		Savings monitoring has identified a total of £2.7m considered a high risk rated/ undeliverable and a further £8.2m that are at risk of delivery. These are reflected in the reported overspend for Quarter 3 2020/21.
Income & Expenditure Position – HRA		The HRA is projecting a £0.2m overspend, which is all related to the impact of the pandemic.
Income & Expenditure Position – DSG		The DSG forecast is a £3.4m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £7.9m 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 adverse variance in 2020/21.

**Appendix B****Forecasted Financial Position as at Quarter 3**

	£m	£m
<b>Covid-19 Pressure</b>		73.155
<b>Funding</b>		
Covid-19 Support Grant	(30.894)	
Sales, Fees & Charges support (estimate)	(4.054)	
Infection Control Tranche 1 and 2	(5.011)	
NHS Hospital Discharge funding	(4.500)	
Reopening High Street Safely	(0.296)	
Compliance & Enforcement	(0.207)	
CEV grant	(0.143)	
Self Isolation Payment admin	(0.321)	
Winter Grant scheme	(1.149)	
NSAP Rough sleepers	(1.181)	
Rough sleepers Initiative	(0.120)	
Rapid Testing Fund	(0.599)	
Increase workforce capacity in ASC providers fund	(0.482)	
Test, Track & Trace	(1.582)	
Contain Outbreak Management	(3.338)	
Emergency Assistance Grant – Food & Essential Supplies	(0.426)	
<b>Total Funding</b>		(54.303)
<b>Gap After Funding</b>		18.833
Contingency	0.000	
In year Savings	(6.269)	
		(6.269)
<b>Gap after Council Response</b>		12.583
Q3 Net forecast		(1.421)
Gap		11.162
Funded by:		
Collection Fund Deficit		(12.749)
Gap/ (Contribution to reserves)		(1.587)
Covid-19 Reserve		0.000
Remaining shortfall/(surplus)		(1.587)

**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 Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Strategy, Partnership, Engagement and Consultation</b> Forecast favourable variance through further controls on operational expenditure.	1.422	(0.093)	0.000	(0.093)	(0.005)	0.000
<b>Communications</b> Reduced expenditure resulting from delays in planned campaigns.	0.581	(0.078)	0.000	(0.078)	(0.011)	0.000
<b>Human Resources</b> The adverse variance relates to anticipated shortfall on recharge income together with increased staffing expenditure to support increased workload including the Agency reduction strategy.	1.337	0.057	0.000	0.057	0.126	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 favourable variances in the services salary budget and further reduction in expenditure due to the inability to deliver to the originally planned training schedule.	0.634	(0.117)	0.000	(0.117)	(0.068)	(0.067)
<b>Electoral Services</b> Extended period of electoral consultant cover and additional postage costs.	0.604	0.104	0.000	0.104	0.062	0.065

<b>Legal Service</b>	2.361	0.300	0.000	0.300	0.200	0.200
The forecast overspend is due to an increase in the number of Children's Social care cases and associated legal costs.						
<b>Shareholder Strategy</b>	0.010	0.765	(0.765)	0.000	0.000	0.000
Procurement and Commissioning co-managed contract costs funded by capital flexibilities as planned.						
<b>Other variances</b>	4.756	0.007	0.000	0.007	(0.033)	(0.037)
<b>Chief Executive Total</b>	<b>11.705</b>	<b>0.945</b>	<b>(0.765)</b>	<b>0.180</b>	<b>0.271</b>	<b>0.252</b>

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Appendix D

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<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.	5.163	(0.031)	0.000	(0.031)	0.000	0.000
<b>Mental Health</b> The service is currently projecting a zero variance.	6.103	0.000	0.000	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.	23.897	0.361	0.000	0.361	0.461	0.465

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<p><b>Older People and Physical Disabilities (the Customer Pathway)</b></p> <p>The service is currently projecting a zero variance, however with the current situation discussed in the paragraph 54, there is a risk that demand will increase in both residential and community based services.</p>	32.703	(0.763)	0.000	(0.763)	0.000	0.000
<p><b>Regulated Services</b></p> <p>This service includes the day centres, wheelchair, and equipment service and the in house residential and nursing home. These services are currently projected a zero variance.</p>	10.305	(0.193)	0.000	(0.193)	0.000	0.000
<p><b>Other Minor variances</b></p> <p>Additional legal costs incurred</p>	0.645	0.028	0.000	0.028	0.029	0.028
<b>Adult Social Care Sub Total</b>	<b>78.816</b>	<b>(0.598)</b>	<b>0.000</b>	<b>(0.598)</b>	<b>0.490</b>	<b>0.493</b>
<p><b>Public Health Grant</b></p> <p>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</p>	(4.706)	0.000	0.000	0.000	0.000	0.000

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
is a risk that demand led sexual health services could result in additional pressures.						
<b>Public Health Sub Total</b>	<b>(4.706)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	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	0.000	0.000
<b>Housing Related Support Sub Total</b>	2.709	0.000	0.000	0.000	0.000	0.000
<b>Adult Social Care &amp; Public Health</b>	<b>76.819</b>	<b>(0.598)</b>	<b>0.000</b>	<b>(0.598)</b>	<b>0.490</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 £0.145m.	2.016	(0.145)	0.000	(0.145)	(0.127)	(0.121)
<b>Other variances</b>	3.084	0.000	0.000	0.000	0.000	0.000
<b>Education Sub Total</b>	<b>5.100</b>	<b>(0.145)</b>	<b>0.000</b>	<b>(0.145)</b>	<b>(0.127)</b>	<b>(0.121)</b>
<b>Children and Families</b>						

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<p><b>Children In Need</b></p> <p>Predominantly £0.112m favourable variance forecast in Edge of Care team due to delays in recruitment and reduced demand in Prevention of care (section 17) service plus other minor adverse variances within the service.</p>	8.260	(0.207)	0.000	(0.207)	(0.089)	0.014
<p><b>Looked After Children</b></p> <p>The £0.809m favourable variance is a result of favourable variances in the Social work team, leaving care team and Heart (Virtual school). Favourable variances in Special Guardianship Orders resulting from court delays of £0.405m and these same delays lead to additional cost of £0.349m in the In house fostering service. A £0.700m favourable variance in former unaccompanied asylum seeking children and £0.200m from maximising benefits for care leavers. However, these help to mitigate a £0.324m overspend in external childcare placements due to increase in number of placements in Residential provision, high risk semi-independent placement and unachieved savings due to delays in finalising the tender for block-booking as a result of Covid-19.</p>	24.294	(0.809)	0.000	(0.809)	(0.322)	(0.161)
<p><b>Young People &amp; Community Safety</b></p> <p>The favourable variance is due to the Young Londoners Fund covering projects costs.</p>	3.857	(0.115)	0.000	(0.115)	(0.063)	(0.046)

<b>People</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<p><b>Joint Service for Disabled Children</b></p> <p>The overspend is due to an increased demand in overnight breaks, commissioning and Direct Payments and the addition of two very complex needs cases taken on since quarter 2.</p>	2.704	0.296	0.000	0.296	0.067	0.036
<p><b>Other Variances</b></p> <p>Though the cost of legal disbursements and translation costs incurred is a £0.126m overspend, this is mitigated by favourable variances in the centre of excellence and vacancies in the Safeguarding and quality assurance team. 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.</p>	3.542	(0.043)	(0.045)	(0.088)	0.044	0.125
<b>Children's and Families Services Sub Total</b>	<b>42.657</b>	<b>(0.878)</b>	<b>(0.045)</b>	<b>(0.923)</b>	<b>(0.363)</b>	<b>(0.032)</b>
<b>People Department Total</b>	<b>124.575</b>	<b>(1.621)</b>	<b>(0.045)</b>	<b>(1.666)</b>	<b>0.000</b>	<b>0.345</b>

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## Appendix E

<b>Place</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Planning</b> Planning is forecasting a £0.126m overspend resulting from a £0.227m forecast overspend in Local Plan making/Local Plan, partially offset by favourable variance in reported in Land charges income and vacancies.	0.943	0.126	0.000	0.126	0.121	0.000
<b>Highways</b> The forecast favourable variance is due to improved scaffolding income and recharges to the capital programme.	2.351	(0.070)	0.000	(0.070)	0.050	0.000
<b>Traffic &amp; Transportation</b> The forecast variance is due to additional Traffic Order income.	(0.840)	(0.135)	0.000	(0.135)	(0.138)	(0.072)
<b>Parking Enforcement</b> The forecasted variance is a result of putting in place additional traffic enforcement and parking control measures.	(5.340)	(1.961)	0.000	(1.961)	(0.374)	(0.200)
<b>Regulatory Services</b> A £0.126m favourable outturn is forecast due to favourable variances in staffing budgets, additional MOPAC grant and efficiencies gained in the procurement of the waste enforcement contract.	2.048	(0.126)	0.000	(0.126)	(0.126)	(0.100)

<b>Place</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Waste Services</b> The favourable variance is due to an increased take up in the numbers of garden waste subscriptions and operational efficiencies, whilst the mobilisation costs of implementing waste service change are as planned funded from the flexible use of capital receipts.	8.255	(0.046)	(0.103)	(0.149)	(0.100)	0.000
<b>Commercial Waste</b> Improved Schedule 2 income and operational efficiencies.	(0.825)	(0.100)	0.000	(0.100)	(0.033)	0.000
<b>Parks Operations/Activities &amp; Engagement</b> This is due to favourable variances in salary costs and other operational expenditure plus forecasted improved income from allotments.	2.055	(0.108)	0.000	(0.108)	(0.102)	(0.073)
<b>Passenger Transport Service</b> The £0.148m relates to the Brokerage Team and is the continuation of the historic pressure as reported in the 2019/20 outturn.	8.457	0.148	0.000	0.148	0.120	0.120
<b>Strategic Property Services</b> The £0.282m is from favourable variances in the services salary budget and Morson Rd rent review.	(1.825)	(0.282)	0.000	(0.282)	(0.387)	(0.232)

<b>Place</b>	<b>Current Budget</b>	<b>Gross Forecast Variance</b>	<b>Flexible Use of Capital Receipts</b>	<b>Net Forecast Variance Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Sustainability Team</b> Favourable variances due to vacant posts and operational budgets.	0.453	(0.093)	0.000	(0.093)	(0.085)	(0.065)
<b>Culture Services</b> The overspend is continuation of previous year's budget pressure.	0.006	0.596	0.000	0.596	0.589	0.500
<b>Meridian Water</b> Forecast overspend resulting from the non capital elements of the delivering the Meridian Water programme.	0.832	0.663	0.000	0.663	0.000	0.000
<b>Housing</b> The Homelessness Service continues to manage challenging demand pressures, the service is now forecasting an underlying variation to budget of £0.168m as a result of increased accommodation costs, however, the service continues to see a reduction in the number of No Recourse to Public Funds cases leading to a forecast favourable variance of £0.350m.	5.123	(0.057)	(0.125)	(0.182)	(0.100)	0.000
<b>Other variances</b>	11.402	(0.173)	0.000	(0.173)	(0.109)	0.034
<b>Place Department Total</b>	<b>33.095</b>	<b>(1.618)</b>	<b>(0.228)</b>	<b>(1.846)</b>	<b>(0.674)</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 Q3</b>	<b>Net Forecast Variance Q2</b>	<b>Net Forecast Variance Q1</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Finance &amp; Commercial</b> Forecast favourable variance in Procurement and Commercial services due to post held vacant.	5.045	(0.238)	0.000	(0.238)	(0.116)	0.022
<b>Digital Services</b> The £0.452m reflects the part year impact from implementing the new IT structure, which will reduce the current pressure. The £0.655m forecast overspend relates to contract expenditure and is predominantly due to the renewed Azure storage contract.	11.347	1.107	(0.452)	0.655	0.000	0.000
<b>Knowledge &amp; Insights Team</b> The forecasted favourable variance is due to vacant posts in the team.	1.489	(0.096)	0.000	(0.096)	(0.107)	(0.091)
<b>Customer Experience</b> A favourable variance is reported for Customer Experience, mainly from improved forecasts in both Customer operations, Exchequer services and Library services.	18.947	(0.078)	0.000	(0.078)	0.083	(0.175)

<b>Transformation</b>	0.283	0.324	(0.324)	0.000	0.000	0.000
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.						
<b>Other variances</b>	0.363	0.153	(0.000)	0.153	0.198	0.301
	<b>37.475</b>	<b>0.933</b>	<b>(0.8265)</b>	<b>0.346</b>	<b>0.058</b>	<b>0.057</b>

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**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 Registrars services		0.161	
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.		0.087	
Registrars overtime incurred	0.016		
Additional expenditure incurred on Communications	0.041		
Additional expenditure incurred in Electoral services	0.012		
<b>Chief Executive Total</b>	<b>0.069</b>	<b>0.257</b>	<b>0.000</b>
<b>People</b>			
<b>Adult Social Care</b>			
Additional Social Workers/agency staff-MH	0.100		

Additional agency AMHP SWs	0.060		
Additional Social Workers/agency staff-OP/PD Social workers and OTs	0.285		
Additional Social Workers/agency staff-Enablement staff DTA	0.025		
Additional Social Workers/agency staff-LD	0.200		
Safe and connected and Brokerage- 7 FTE	0.115		
Increased costs of Enablement staff and Discharge to Assess staff in MH	0.045		
Additional payments to providers, for additional staffing and equipment OP/PD	1.062		
Additional payments to providers, for additional staffing and equipment MH	0.030		
One off payment to providers at £1,000 each	0.145		
Double running of care costs where carers go are off sick-LD	0.140		
IWE costs – additional equipment from the stores i.e. beds/PPE, providing a service at the weekend.	0.450		
ASC PPE including that for providers (OP/PD)	0.800		
ASC PPE including that for providers (MH)	0.025		
Safe and connected equipment and software	0.075		

Expenditure on P-cards – food, supplies, care of pets, transport. (London Ambulance Service are no longer transporting people leaving hospital)	0.210		
IWE costs – Enablement staffing costs	0.150		
20% additional staff at Bridgewood in preparation for taking patients direct from hospital.	0.260		
Older People – Closure of day centres and additional costs of providing individual care at home.	0.075		
Additional long term care purchasing costs as a result of cancelation of routine operations, hip, knee etc	0.450		
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	0.076		
Learning Disability Service – Placement breakdown	0.290		
Hospital Discharge Programme	4.500		
Hospital Discharge Programme - rejected costs by NHS	0.548		
Rapid Test Fund	0.599		
Grant to increase staffing capacity	0.482		
Infection Control Tranche 1	2.484		
Infection Control Tranche 2	2.528		

Loss of income in Adult Social Care		0.300	
<b>Health &amp; Adult Social Care Total</b>	<b>16.209</b>	<b>0.300</b>	<b>0.000</b>
<b>Children's &amp; Families</b>			
Impact on Secure remand placements as a result of the delay in court dates for long trials	0.351		
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.	0.300		
Increase numbers of children to look after where parents are very ill. Estimate 20 children's ranging in cost from 45k per year to 100k.	1.310		
Extra staffing and overtime	0.180		
24 hour support line for foster carers and providers to stabilise placements	0.012		
Increase numbers of agency staff	0.599		
Block booking placements	0.091		
PPE for Children's Services (including Leaving care)	0.025		
Other Children's related exp	0.062		

Increased support for care leavers, increased allowances and cost of accommodation.	0.100		
<b>Children's &amp; Families Total</b>	<b>3.030</b>	<b>0.000</b>	<b>0.000</b>
<b>Education</b>			
Loss of service income		0.153	
<b>Education Total</b>	<b>0.000</b>	<b>0.153</b>	<b>0.000</b>
<b>People Total</b>	<b>19.239</b>	<b>0.453</b>	<b>0.000</b>
<b>Place</b>			
Homelessness Demand & Price modelling (savings)			1.800
Homelessness Demand & Price modelling	1.850		
PPE for Councils Services (Housing)	0.001		
Emergency bed spaces for rough sleepers	0.350		
Additional agency staff to cover for workers that may become ill or are self-isolating: 2 x Rough Sleeper Outreach Workers / Navigators	0.030		
Additional costs of deep cleaning, food for self isolating rough sleepers	0.020		
Edmonton Travelodge	0.570		

In reach support officers	0.140		
Deposits/rent in advance for rough sleepers	0.332		
Rough sleepers back to work scheme/One Housing/Beam	0.141		
Fleet operatives Covid-19 cover and additional work	0.190		
Express fleet-Cleaning of vehicles due to Covid-19	0.006		
Additional waste management fleet hire	0.445		
Additional waste management communications	0.033		
Additional waste management, outreach/waste client team and communications	0.040		
Sanitiser, Cleaning Materials and Cleaning (Waste and Fleet)	0.001		
Additional duties in Parks & Additional cemetery work	0.141		
Additional duties in Parks (Additional Litter Clearance)	0.029		
Parks Toilets additional clean	0.015		
Contact and Trace Reg Service	0.046		
PPE for Councils Services (Place)	0.009		



Finance & corporate - ICT & remote working & PPE (Place)	0.002		
Finance & corporate - ICT & remote working (Parking)	0.001		
Costs related to the Test Centres (Highways)	0.071		
Additional duties (Additional cemetery work burials)	0.039		
Enforcement of Covid-19 restrictions in parks	0.258		
Mortuary and funerals (Haringey shared service)	0.065		
Delays to street lighting savings			0.050
Additional waste management/fleet hire/street cleaning in order to ensure that all waste is collected during Covid-19 crisis	0.017		
Sanitiser, Cleaning Materials and Cleaning (Non-FM)	0.000		
Social Distancing Signs etc (Parking)	0.002		
Additional street cleaning only	0.377		
Temporary highway interventions to assist social distancing.	0.000		
Additional staffing cover for refuse/street scene employees due to age of workforce.	0.422		
Waste and Street Cleaning Additional Covid Fuel costs	0.009		

Waste Op (Waste Collections additional costs - Extra Waste produced due to Covid-19)	0.757		
Reopening Barrowell Green	0.111		
Allotments cleaning	0.008		
Social Distancing Signs etc (Parks)	0.000		
SEN Transport - additional staffing resources	0.013		
SEN Transport Covid Social Distancing/bubbles	0.465		
RHSS - Communications and materials	0.030		
RHSS - Licensing	0.025		
RHSS - Heathy Streets and physical measures	0.146		
Compliance & Enforcement Grant	0.207		
Finance & corporate - ICT & remote working (Planning)	0.001		
RHSS - Planning	0.025		
Economic Development (assisting local businesses)	0.083		
Additional cleaning, hand sanitizers and materials in council buildings (FM)	0.161		

Temporary building arrangements	0.003		
Finance & corporate - ICT & remote working & PPE (Reg)	0.000		
RHSS - Economic Development	0.070		
Development Management loss of income across Building control, planning fees		0.350	
Land charges loss of income		0.080	
Loss of CIL income in strategic planning and design		0.186	
Loss of Design Panel income		0.034	
Highways service loss of income across advertising, skip licences, crossovers, suspension of scaffolding works and staff diverted to non fee earning work.		0.310	
The estimated pressure in Traffic & Transportation is due to the reduction of salary recharges to LIP funded schemes, net of employee costs and NRWA loss of income.		0.080	
Loss of income in from the boroughs Car parks and Pay & Display		0.862	
Loss of income from Parking Enforcement		3.912	
Loss of income across Regulatory Services including Trading Standards, licensing, food hygiene courses and Pest Control services.		0.226	

An increase in income is forecast resulting from an increase in demand during the pandemic.		(0.251)	
Net loss of income from commercial and schedule 2 waste services.		0.130	
Income loss across Parks activities and engagement which includes sports pitches and events held in parks.		0.336	
Estimated loss of income resulting from the contract with the Councils Leisure centre provider and the sports activity programme.		0.469	
Loss of income from sports activities		0.045	
Loss of income from the provision of the Passenger Transport service.		0.216	
Loss of income across Strategic Property Services which includes commercial rents, filming income, staff car parking and youth services.		0.880	
Net loss of income in Culture services.		0.322	
Loss of meanwhile use income at Meridian Water.		0.169	
Loss of income from adaptations on properties		0.035	
<b>Place Total</b>	<b>7.754</b>	<b>8.391</b>	<b>1.850</b>
<b>Resources</b>			
Winter Grant scheme	1.149		

Self Isolation payments	0.321		
Financial Assessments staff overtime	0.172		
Civica on Demand Extra Staff - Telephony	0.044		
Discretionary Housing Payments (DHP) - additional over government allocation	0.500		
Additional Resources in Income Collection due to increased demand relating to Covid-19 and administering Business grants scheme	0.230		
Delays to payments programme savings			0.100
Additional Kit: Already purchased/purchasing – Keyboards/Mice (£40k), Jabra's (£15k), Possibly wi-fi dongles (100 = £10k including usage – maybe more)	0.185		
Additional out of hours support, licence increases, capacity and security, converting to an out of hours service	0.250		
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
Staff time in Resources teams spent on Shielding	0.037		
Customer service overtime and backfill of posts through use of agency staff	0.537		
Transformation Service redirected to support Covid-19 work	0.114		
Net loss of income due to library closures		0.265	

Net loss of income in schools catering due to school closures		0.993	
Music service net loss of income		0.011	
Loss of income from Court cost		1.657	
Housing Benefit overpayment income collection		1.769	
Other Resources services loss of income e.g. recharges		0.342	
<b>Resources Total</b>	<b>3.539</b>	<b>5.037</b>	<b>1.000</b>
<b>Corporate</b>			
Share of increase mortuary and coroners' provision across London.	1.458		
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.	0.800		
Mass testing	0.600		
Testing Centres pre December 2020	0.056		
Community Resilience Hub	2.000		
Contingency for unknown costs	0.250		

Personal Protective Equipment across all Council services	0.275		
Communications with residents, banners, posters and guidance	0.025		
Bad Debt Provisions for Sundry, Housing Benefit overpayments and Court cost income	6.305		
Collection Fund Bad Debt Provisions	2.354		
COMF: £100 payment to 145 in house foster carers	0.015		
COMF: £100 payment to 600 children receiving short breaks	0.060		
COMF: Outside Pod at Bridgewood for Family visits	0.040		
COMF: Lateral Flow Testing costs- transport, clinical waste, equipment and one off staffing costs	0.050		
COMF: IT support through VCS – IT lending programme (started in Enfield Carer Centre but could be extended to other VCS groups) for purchase of tablets to improve keeping in touch and reducing social isolation	0.025		
COMF: Possible use of overtime in stores to offer handyman/adaptation work to smaller care homes to create Covid safe spaces in care homes free of charge – £25k Overtime and materials	0.030		
COMF: Overtime possibly for 7 day working in stores (weekends) to support discharges from hospital	0.010		
COMF: Additional funding for VCS community outreach work to promote testing and vaccinations including for hard to reach and BAME groups	0.050		
COMF: A contribution towards the vaccination additional payments to care staff in Enfield, the rest to be funded from IPC funding	0.100		

COMF: Allocation to fund further COMF proposals.	0.668		
Council Tax Collection		6.755	
Business Rate Collection		3.640	
<b>Corporate Total</b>	<b>15.171</b>	<b>10.395</b>	<b>0.000</b>
<b>Covid-19 Total</b>	<b>45.772</b>	<b>24.533</b>	<b>2.850</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>		
Digital Services IT	0.452	The service is continuing to implement changes to the infrastructure contracts aimed at achieving significant cost reductions and transforming how services are delivered.
<b>Digital Services</b>	0.060	To develop business cases for new projects as part of the Portfolio's pipeline. This is the estimated value for 2020/21 and these costs will continue into 2021/22.

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
Transformation	0.324	The Transformation Service manages a diverse Portfolio of Programmes, designing, planning and managing activity on behalf of Directors across the council, hiring and managing specialist IT and other resources, as required for each individual project. 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.
Finance & Commercial	0.050	Implementation of the Social Value Portal at £45k and training programme of £5k..
<b>Place</b>		
Mobilisation costs associated with the implementation of waste service changes	0.103	<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</li> </ul>

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		<p>from households that opt</p> <ul style="list-style-type: none"> <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> <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>Homelessness</b>	0.125	These costs included the implementation costs of new allocations system, project management of the establishment of Enfield Lets, implementation of the LIFT dashboard and review of Brickfield House.
<b>Total to be funded from the Flexible Use of Capital Receipts 2020/21</b>	<b>1.924</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	0.000	(0.157)	(3.291)	(0.200)	0.000	(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	0.000	0.000	0.444	0.000	(0.075)	0.369
New 2020/21	(0.100)	(0.410)	(1.899)	(0.230)	0.000	(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	0.000	(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	0.000	(0.247)	(1.414)	0.000	0.000	(1.661)
Green	(0.400)	(0.872)	(906)	(0.750)	(0.325)	(2.578)
Amber	0.000	(1.290)	(4.111)	(0.864)	(2.000)	(8.265)
Red	0.000	0.000	(0.780)	(1.900)	0.000	(2.680)
<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
<b>CEX</b>	CEX	New 2020/21	Savings	Organisational Review Saving	2.5	(250)
<b>CEX</b>	CEX	New 2020/21	Savings	Reduce printing	3.0	(50)
<b>CEX</b>	CEX	New 2020/21	Income	Review of recharges	3.0	(100)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>Corporate</b>	Corporate	FYE	Income	Tax base Growth	1.5	(75)
<b>Corporate</b>	Corporate	New 2020/21	Savings	Obtain rebates by using Purchase Cards for energy bills and matrix invoicing	1.5	(100)
<b>Corporate</b>	Corporate	New 2020/21	Savings	Tail spend savings. Supplier manages spend for the council. Savings achieved through economies	2.5	(150)
<b>Corporate</b>	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
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Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
People	C&F	New 2020/21	Savings	Reducing placement cost	0.0	(140)
People	C&F	New 2020/21	Savings	Reduction in business support (vacant post)	0.0	(39)
People	EI&P	New 2020/21	Savings	Reduction in early retirement pension budget	0.0	(58)
People	EI&P	New 2020/21	Savings	Reduction in reparation due to Police contribution	0.0	(10)
People	ASC	FYE	Savings	Reduction in management as a result of service re-modelling	1.5	(157)
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	Education	New 2020/21	Income	DSG Funding and capital recharges	1.5	(90)
People	ASC	New 2020/21	Savings	Maximisation of IWE resource for day services	2.5	(90)
People	ASC	New 2020/21	Savings	Review of residential placements to secure appropriate supported living	2.5	(200)
People	ASC	New 2020/21	Savings	Reduced costs of care through early intervention	2.5	(110)
People	ASC	New 2020/21	Savings	More efficient processing of DoLs and care of Pets	2.5	(40)
People	PH	New 2020/21	Savings	PH Restructure 1FTE in PH Commissioning Team (part of 970k in MTFP)	3.0	(60)
People	C&F	New 2020/21	Savings	Block booking semi-independent accommodation	4.5	(60)
People	PH	New 2020/21	Savings	Reducing Out of borough Sexual Health spend (part of 970k in MTFP)	4.5	(100)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>People</b>	ASC	New 2020/21	Income	Increased income through fees and charges for chargeable Adult Social Care Services	5.0	(320)
<b>People</b>	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
<b>Place</b>	All	FYE	Savings	Management actions to contain pressure	0.0	(379)
<b>Place</b>	All	FYE	Income	Increase income across R&E	0.0	(250)
<b>Place</b>	All	FYE	Savings	Organisational Review Savings	0.0	(198)
<b>Place</b>	Env & Ops	FYE	Savings	Stop School Crossing Patrols	0.0	(34)
<b>Place</b>	Env & Ops	New 2020/21	Income	Traffic order income	0.0	(160)
<b>Place</b>	Env & Ops	New 2020/21	Savings	Parking Contract Renewal	0.0	(165)
<b>Place</b>	Env & Ops	New 2020/21	Income	Scaffolding Income	0.0	(50)
<b>Place</b>	Env & Ops	New 2020/21	Savings	Vehicle Fleet Replacement – through borrowing instead of leasing	0.0	(1,200)
<b>Place</b>	Env & Ops	New 2020/21	Savings	In house Parks/Cemeteries contracts efficiency	0.0	(50)
<b>Place</b>	Env & Ops	New 2020/21	Income	Commercialisation of the Fleet Workshop	0.0	(50)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>Place</b>	Meridian	FYE	Income	Meridian Water Meanwhile Use income	0.0	1,190
<b>Place</b>	Planning	New 2020/21	Income	Increase in fee income from Design Review Panel	0.0	(50)
<b>Place</b>	Planning	New 2020/21	Income	Fee income from Urban Design / Heritage / Planning consultancy services	0.0	(50)
<b>Place</b>	Property	New 2020/21	Savings	FM Contracts and resourcing (Security contract saving)	0.0	(78)
<b>Place</b>	Property	New 2020/21	Savings	lease termination of 59 Church Street retail shop	0.0	(40)
<b>Place</b>	Property	FYE	Savings	Energy Saving Initiatives	0.0	150
<b>Place</b>	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (iv): 1% increase on the TA rent roll	1.5	(20)
<b>Place</b>	Property	New 2020/21	Income	Genotin Road Car Park Redevelopment	1.5	93
<b>Place</b>	Property	New 2020/21	Savings	Close John Wilkes House (sale to HRA?)	1.5	(20)
<b>Place</b>	Env & Ops	FYE	Savings	LED Street Lighting	2.5	(250)
<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>	Property	New 2020/21	Savings	Vacating St Andrews Court	2.5	158
<b>Place</b>	Property	New 2020/21	Income	Reprofiled Holly Hill Bunding Income	3.5	(487)
<b>Place</b>	Meridian	New 2020/21	Income	Staff capitalisation to MW, due to increased staffing levels to meet the revised MW scope	4.5	(70)



Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
<b>Place</b>	Planning	FYE	Income	Building Control Income	4.5	(50)
<b>Place</b>	Planning	New 2020/21	Income	CIL and S106 Admin Fee Income to Strategic Planning and Design Team	4.5	(50)
<b>Place</b>	Property	FYE	Income	Market Rentals for Council Properties	4.5	(50)
<b>Place</b>	Property	New 2020/21	Savings	Lease vacant space at Centre 14, Claverings	4.5	(20)
<b>Place</b>	Property	New 2020/21	Savings	Close Alan Pullinger Centre	4.5	(50)
<b>Place</b>	Env & Ops	FYE	Savings	Waste Savings	5.0	(1,800)
<b>Place</b>	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (ii): TA Repairs & Maintenance	5.0	(250)
<b>Place</b>	Meridian	New 2020/21	Income	MW Meanwhile use income	5.0	(1,309)
<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	New 2020/21	Income	Claverings: close Ark, rent it out	7.5	128
<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
<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	Savings	Review of out of hours contracting arrangements; early exit termination fees apply.	4.5	(14)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Community libraries. Wireless self-service printing to generate income	4.5	(25)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Investment in a sensory room for use by individuals, companies and schools	4.5	(20)
<b>Resources</b>	Customer Exp	New 2020/21	Income	Makerspaces. Equipping community rooms to support crafting and other skill development	4.5	(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>	Finance	FYE	Savings	Payments Programme - new system allowing efficiencies in Exchequer	5.0	(200)
<b>Resources</b>	Commercial	New 2020/21	Savings	Procurement saving resulting from replacing our digital customer platform	10.5	(600)
<b>Resources</b>	Customer Exp	New 2020/21	Savings	New arrangements for hosting ICT applications and mobile phone contract reductions	15.0	(1,300)

[Return to Achievement of Savings Narrative](#)

Appendix K

Dedicated Schools Grant	Forecast Variance Q3  (£m)	Forecast Variance Q2  (£m)	Forecast Variance Q1  (£m)
<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.	3.410	2.661	2.534
<b>DSG Total</b>	<b>3.410</b>	<b>2.661</b>	<b>2.534</b>

[Return to DSG Narrative](#)

## Appendix L

Reserves	31 March 2020 £m's	Forecast Transfers 2020/21 £m's	Forecast Balance 31 March 2021 £m's
<b>General Fund</b>			
Risk Reserve	<b>(8.304)</b>	<b>(13.954)</b>	<b>(22.258)</b>
Covid-19 Reserve	<b>(3.000)</b>	<b>3.000</b>	<b>0.000</b>
Balance Sheet Management	<b>(4.200)</b>	<b>2.200</b>	<b>(2.000)</b>
<b>Collection Fund Equalisation EM reserve</b>	(10.542)	0.000	(10.542)
<b>Housing Benefit Smoothing Reserve</b>	(2.638)	0.000	(2.638)
<b>North London Waste Authority Reserve</b>	(1.349)	0.800	(0.549)
Medium Term Financial Planning Smoothing Reserves	<b>(14.529)</b>	<b>0.800</b>	<b>(13.729)</b>
<b>Salix Fund</b>	(0.726)	0.050	(0.676)
<b>MRP Equalisation</b>	(15.338)	0.000	(15.338)
<b>Interest Rate Fluctuations</b>	(8.190)	3.527	(4.663)
Capital Financing Reserves	<b>(24.254)</b>	<b>3.577</b>	<b>(20.677)</b>
<b>Service Specific Reserves</b>	(14.251)	5.111	(9.140)
<b>Property</b>	(2.125)	0.363	(1.762)
<b>Covid-19 Grant</b>	(8.521)	8.521	0.000
<b>Other Grant Reserves</b>	(10.063)	2.788	(7.275)
Grants & Other Contributions	<b>(18.584)</b>	<b>11.309</b>	<b>(7.275)</b>
General Fund Usable Reserves Sub Total	<b>(89.247)</b>	<b>12.406</b>	<b>(76.841)</b>
<b>Insurance</b>	(7.021)	0.000	(7.021)
<b>General Fund Balance</b>	(13.950)	0.000	(13.950)
<b>Total General Fund Reserves and Balances</b>	<b>(110.218)</b>	<b>12.406</b>	<b>(97.812)</b>
<b>HRA</b>			
HRA Repairs Fund	(21.997)	0.500	(21.497)
HRA Insurance	(0.323)	0.000	(0.323)
Total HRA Reserves	(22.320)	0.500	(21.820)
HRA Balance	(4.623)	0.208	(4.415)
<b>Total HRA Reserves and Balances</b>	<b>(26.943)</b>	<b>0.708</b>	<b>(26.235)</b>
<b>Schools</b>			
Schools' Balance	3.193	0.000	3.193
Dedicated Schools' Grant	4.482	3.410	7.892
<b>Total Schools' Reserves and Balances</b>	<b>7.675</b>	<b>3.410</b>	<b>11.085</b>

[Return to Reserves Narrative](#)