

London Borough of Enfield

Cabinet

9 March 2022

Subject: Revenue Monitoring 2021/22: Quarter 3 (to 31 December 2021)

Cabinet Member: Cllr. Maguire, Cabinet Member for Finance & Property

Executive Director: Fay Hammond, Executive Director Resources

Key Decision: 5351

Purpose of Report

1. This Report sets out the Council's revenue budget monitoring position based on information to the end of December 2021. 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.

Proposals

2. Cabinet is recommended to;
3. Note the adverse variance of £0.129m on the General Fund and £5.2m overspend in the Dedicated Schools Grant (DSG) forecasted revenue outturn position for 2021/22.
4. Note that the £3m contingency is no longer required to achieve the General Fund forecast outturn and therefore the planned drawdown from reserves of £1.927m will no longer be required and £0.944m will be added to the Council's reserves.
5. Note the Covid-19 impact of £44.191m which is expected to be funded by Government grants.
6. Approve the allocation of Covid-19 grant to support catch up provision for secondary schools costing £218k (allocated in Appendix G); and a further allocation of £300k to extend the approach to primary as well also funded from Covid-19 Grant.
7. Note the progress made on the journey to setting a robust and resilient budget.
8. 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.

9. It is recommended that Cabinet Members note the forecast level of reserves and implications for 2021/22 and challenging financial position over the life of the MTFP.

Reason for Proposals

10. 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 2021/22.

Relevance to the Council's Corporate Plan

11. 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 2021/22. 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

12. On 2nd March 2021, the 2021/22 budget was set by Council. New savings of £7.7m and new income generation plans of £1.9m were agreed for 2021/22. Savings and income proposals agreed from previous years to be delivered in 2021/22 totalled £3.4m. As part of the aim to continue to place the budget in a more resilient position, in 2021/22 £29.4m of growth was included to reflect the demographic, inflationary, investment and capital financing needs.

Main Considerations for the Council

13. **General Fund Quarter 3 Forecast Outturn**
14. The Quarter 3 revenue budget forecast including the impact of Covid-19, Government support and the Council's response is an adverse variance of £0.129m, compared to the position reported in Quarter 2 of £0.465m (adverse). However, it should be noted, that unlike in Quarter 2 that this does not require the full use of the £3.0m corporate contingency to be achieved and therefore, the planned use of reserves of £1.927m to support the overall budget as set out in the Budget Report 2021/22 is no longer required and £0.944m can be added to the Council's reserves.
15. The key changes from Quarter 2 are due to a reassessment of the impact of Covid-19 on Children's Social Care and increase income forecasts and reduced SEN Transport spend in Place Department.
16. 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. The impact of Covid-19 on expenditure and loss of income is expected to be fully funded from Government grants in 2021/22 but these pressures are expected to continue into 2022/23 and will be addressed through the MTFP. This is set out in Appendix B; the report is set out as follows:

- i. Paragraphs 31 to 92 provide the underlying position in the General Fund as at Quarter 3 after £1.501m use of flexible capital are applied.
 - ii. Paragraphs 93 to 125 provides an update on the Covid-19 financial impact of £44.191m. It should be noted that this figure is the gross expenditure regardless of funding received. This includes for example the NHS hospital discharge expenditure, Infection control grant, new grants allocated this year and balances carried forward from 2020/21. The Government's response in terms of additional funding is highlighted in paragraph 22 to 23.
17. The budget includes a contingency of £3.0m which was set to manage unforeseen circumstances, however given the latest forecast position this will no longer be fully required to maintain a balanced position with the current forecasts. Executive Directors continue to work to manage the current position and reduce any pressures in order to minimise the call on the corporate contingency. The Pressure Challenge Boards will review the most significant pressure areas in order to provide corporate challenge as well as generating additional options to mitigate the pressures not only for this financial year but for future years also.
 18. 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.
 19. The Council continues to respond to the Covid-19 crisis ensuring that the community is supported as effectively as possible in very challenging circumstances. This continues to have a financial impact but as experienced in 2020/21 and reported in the outturn, the 2021/22 forecast impact of £44.191m is expected to be funded by Government grants.
 20. There are range of Government Grants and these are set out in full in Appendix B of the report. This is £10.5m general support grant which has supplemented the Council's response. At the same time the Government has extended the support to help manage the loss of sales and fees and charges income for the first quarter of the year. Alongside these, the Government has made further specific ring-fenced funding available and these total £28.5m. This other funding includes the Contain Outbreak Management Fund, NHS discharge programme funding from the NHS, infection control, Local Support grant, Community Testing programme and Practical Support grant.
 21. The £44.191m 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 93 to 125 and detailed in Appendix G. It should be noted that these 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.
 22. This means that as at the Quarter 3 position the £10m specific Covid-19 earmarked reserve can remain on the balance sheet, which maintains the Council reserves and strengthens the Council's ability to manage the longer term effects of the pandemic moving into 2022/23.

23. The risk is that the Covid-19 pressures persist beyond 2021/22 and continue into 2022/23 and indeed beyond. These are all under continuous review and further updates will be provided in the outturn report, however and £6.3m has been built in to the Medium Term Plan initially as a one off but potentially as ongoing cost.
24. The Collection Fund deficit of £16.6m is forecast to be offset by the use of the Collection Fund Equalisation Reserve, as the ongoing pressure of £5.5m will be spread over 3 years. The majority of the impact will be funded by the Taxation Income Guarantee and the Covid-19 Relief Grants provided by Central Government.
25. The Dedicated Schools Grant is forecasting an outturn position of a deficit of £5.223m. With the £8.049m deficit brought forward from 2020/21, the cumulative forecast deficit at year end is £13.272m and will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation.
26. The report provides an update on the 2021/22 forecast position for the level of reserves.
27. 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 these could persist beyond 2021/22 and continue into 2022/23 and indeed beyond. These are all under continuous review and £6.3m has needed to be built into the Medium Term Plan initially as a one off but potentially as ongoing cost.
28. 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 31 to 92. 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 2021/22, 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](#).
29. Enfield Council is actively seeking to assist families from Afghanistan to settle in the UK. An Afghanistan Resettlement programme has been proposed to support families with accommodation and support. This will come with Government funding and it is anticipated that services such as Housing and Social Care will be providing much needed support.
30. 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.
31. Table 2 sets out the Covid-19 associated pressures the Council is experiencing by department.

32. Table 1: General Fund Quarter 3 Projected Departmental Outturn Variances 2021/22

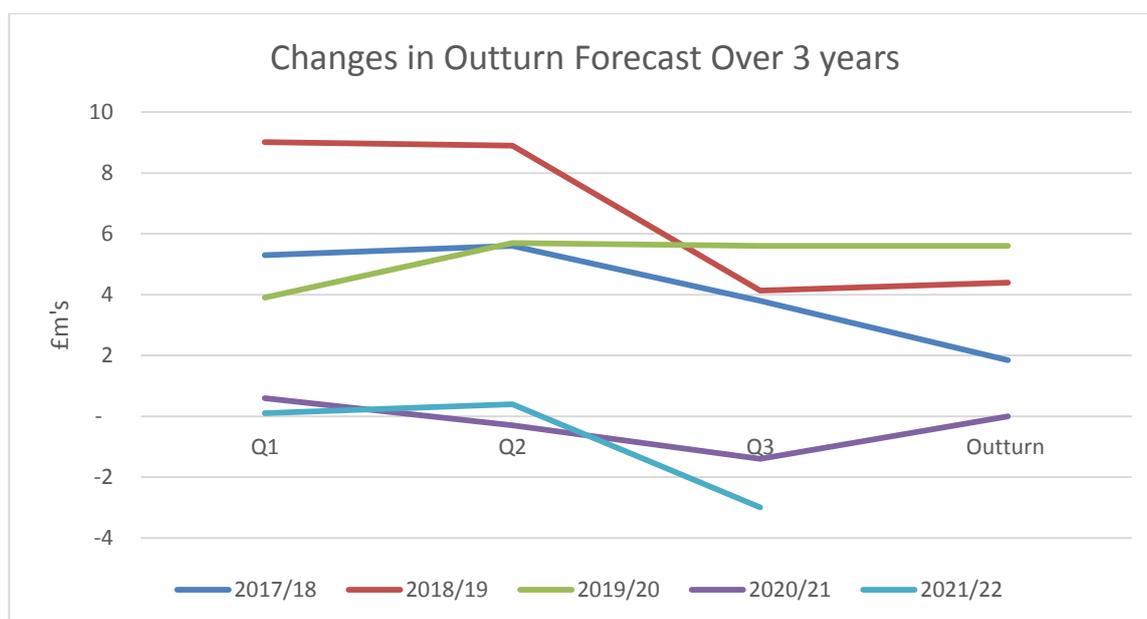
Department	Net Budget	Total Net Forecast Outturn Variance (exc. Covid-19 impact)	Flexible use of Capital Receipts	Covid-19 Total Impact (see Table 2)	Total Net Forecast Variance incl. Covid-19 & In Year Savings	Covid-19 Funding / Collection Fund	Net Variance excl. Covid-19 & In year savings
Chief Exec	9.606	0.159	(0.066)	0.992	1.085	(0.992)	0.093
Adult Social Care and Public Health	78.738	1.646	0.000	13.743	15.389	(13.743)	1.646
Children & Families	44.306	(0.123)	(0.218)	3.798	3.457	(3.798)	(0.341)
Education	4.279	(0.033)	(0.008)	0.338	0.297	(0.338)	(0.041)
Place	29.974	(1.252)	(0.068)	15.495	14.175	(15.495)	(1.320)
Resources	31.328	2.067	(1.141)	8.923	9.849	(8.923)	0.926
Service Net Costs	198.231	2.464	(1.501)	43.289	44.252	(43.289)	0.963
Corporate Expenses	61.567	(0.835)	0.000	0.902	0.067	(0.902)	(0.835)
Bad Debt Provisions	0.791	0.000	0.000	0.000	0.000	0.000	0.000
Net Expenditure before contingency	260.589	1.629	(1.501)	44.191	43.319	(44.191)	0.129
Contingency	3.000	(3.000)	0.000	0.000	(3.000)	0.000	(3.000)
Net Expenditure	263.589	(1.721)	(1.501)	44.191	41.320	(44.191)	(2.871)
Expenditure financed by:					0.000		
Business Rates	(94.241)	0.000	0.000	0.000	0.000	0.000	0.000
Council Tax	(133.108)	0.000	0.000	0.000	0.000	0.000	0.000
Other non-ring-fenced Government Grants	(31.125)	0.000	0.000	0.000	0.000	0.000	0.000
Reserves	(5.115)	0.000	0.000	0.000	0.000	0.000	0.000
General Fund Financing	0.000	(1.721)	(1.501)	44.191	41.320	(44.191)	(2.871)

Table 2: Summary of Covid-19 Impact by Department Q3 2021/22

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	9.606	0.992	0.000	0.000	0.992
Adult Social Care and Public Health	78.738	13.743	0.00	0.00	13.743
Children & Families	44.306	3.798	0.000	0.000	3.798
Education	4.279	0.338	0	0	0.338
Place	29.974	9.559	4.036	1.900	15.495
Resources	31.328	8.016	0.907	0.000	8.923
Service Net Costs	198.231	36.446	4.943	1.900	43.289
Corporate Expenses	61.567	0.902	0.000	0.000	0.902
Bad Debt Provisions	0.791	0.000	0.000	0.000	0.000
Contingency	3.000	0.000	0.000	0.000	0.000
Net Expenditure	263.589	37.348	4.943	1.900	44.191
Expenditure financed by:					
Business Rates	(94.241)	0.000	0.000	0.000	0.000
Council Tax	(133.108)	0.000	0.000	0.000	0.000
Other non-ring-fenced Government Grants	(31.125)	0.000	0.000		0.000
Reserves	(5.115)	0.000	0.000	0.000	0.000
General Fund Corporate Financing	0.000	37.348	4.943	1.900	44.191

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

33. 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 with the first two sessions beginning focused on Homelessness and SEN Transport. The purpose of the sessions is to identify any further solutions to reduce the overspend in 2021/22 but also to identify whether there will be an ongoing pressure that will need to be considered in the 2022/23 budget setting process.
34. There has been a trend of improvements in budget setting and monitoring at Enfield Council over the past four 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 2020/21 was a balanced position whilst 2019/20 was an overspend of £5.6m and this was after the flexibility of applying £2.7m of capital receipts had been applied.
35. 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.
36. Chart 1: Trends in outturn forecasting since 2017/18



37. 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](#).
38. **Departmental Monitoring Information – Budget Pressures and Mitigating Actions (net variance, excluding Covid-19)**
 39. **Chief Executive’s** ([Appendix C](#))
 40. The Chief Executive’s department continues to forecast a minor variance, £0.093m at quarter 3 compared to £0.055m as at quarter 2, against a budget of £9.606m.
 41. **Use of Capital Receipts:**
 42. The flexible use of capital receipts forecast is the planned Communications role as detailed in the 2021/22 Budget Report and Invest to Save items put forward as part of the Medium Term Financial Strategy to achieve future savings as detailed in Appendix H.
 43. Further details of the Chief Executive department’s outturn variations are provided in [Appendix C](#).
 44. **People** ([Appendix D](#))
 45. The department’s forecast outturn is a £1.3m adverse variance against the budget of £127.3m. This is a £1.1m improvement on the quarter 2 forecasts. The main variations are as follows:
 46. **Adult Social Care (ASC)**
 47. Adult Social Care services are forecasting an adverse variance of £1.646m which reflect the increase in demand in community based and Residential services for Older People.
 48. Key assumptions within the forecast are based on projected activity and year to year trends. However, with the continuation of the effects of Covid-19 being felt, makes trend analysis extremely difficult in year. Additional provider costs due to Covid-19, demographic and inflationary pressures mean the projected outturn, whilst containing an element of risk, may be subject to change.
 49. The adverse position is also because of expected additional income that has been agreed through the MTFP is now looking unlikely to be achieved due to the Norfolk judgement and how this impact on the Council’s charging policy. The judgment in the *Norfolk* case found that there was an unjustified difference in treatment between, on the one hand, the severely disabled and, on the other hand, everyone else receiving council services covered by the Charging Policy. Local councils must consider the ruling and examine their own policies in light of the ruling.
 - Public Health**
 50. The Public Health grant is a £17.53m ring fenced grant that can only be used for public health functions. Just as in quarters 1 and 2, a neutral position is currently being forecast.
 51. The £17.53m reflects a 1.4% increase in the grant from 2020/21, however, 0.7% of this is for PrEP (pre-exposure prophylaxis) a medicine to prevent people getting HIV. The inflationary increase is therefore 0.7%. Over 85% of spend in Public Health is for services contracted to the NHS, for which a pay increase of 3% nationally has been offered (but not accepted) without

additional funding. There is also a risk that demand led sexual health services post pandemic could also result in additional pressures. Whilst this year's pressures can be absorbed this year by one off savings, the risk is without additional funding for these pressures will cause an overspend in future years.

52. Education, Children and Families Services

53. There are only a few General Fund services in Education with a net budget of £4.3m. The cost of former employees on enhanced pension is forecast to be £0.23m favourable variance at the year end and supports its inclusion as a saving for the 2022/23 MTFP. In year exit costs resulting from restructures are creating an in year pressure of £0.33m but these are partially offset by additional traded income and service savings of £0.14m, hence the overall minor underspend being reported of £0.04m.
54. Children and Families services are forecasting a favourable variance of £0.341m, a decrease of £1.162m on Quarter 2. There has been a review of the Covid-19 impact on Children and Families service. As a result, an additional £1.850m of expenditure was classified as relating to Covid-19 pressures, mainly within Children in Need and Looked After Children services. This has adjusted the position on the services, as these pressures will be funded by the Covid-19 grant rather than core budgets.
55. The forecast is based on projected activity and year to year trends. With the continuation of the effects of Covid-19 on key cost drivers, trend analysis is extremely difficult in year. Management action is being taken to address cost pressures, including reviewing regularly high-cost placements. However, additional costs due to Covid-19, demographic and inflationary pressures mean the projected outturn may be subject to further change.
56. The Children in Need services report a £0.242m favourable variance. This is predominantly forecast in Prevention of Care Section 17 budget due to a reduced level of demand. The Child Protection and Assessment teams have unprecedented level of vacancies and staff turnover due to Covid-19 pressures. The service is taking steps to improve recruitment and retention of directly employed staff by matching incentives offered by other local boroughs and increasing the number social work apprenticeships.
57. The Looked After Children services forecast an underspend of £0.460m. The largest variance is a £0.421m favourable variance in former unaccompanied asylum-seeking children from maximising benefits for care leavers and clients moving to their own accommodation. The impact of Court delays in granting Special Guardianship Orders created a favourable movement of £0.203m for the service. Adoption allowances are forecast to be £0.103m underspent, external childcare placements budget is forecasting an underspend of £0.061m, and Leaving Care is forecasting an underspend of £0.050m. Heart is reporting an underspend of £0.063m due to vacancies. However, a complex care case is creating a £0.391m pressure on the support cost budget.
58. The £0.365m overspend in the Joint Service for Disabled Children is predominantly due to an increased demand in overnight breaks to avoid family breakdowns. Some children and young people with complex needs require intensive support, such as 24/7 care at home.

59. Young People & Community Safety is reporting £100k favourable variance due to continuous vacancies, underspend on projects and CCTV operational cost in Community Safety.
60. The edge of care service has been very successful in working with young people who are facing family breakdowns by preventing 80% of young people referred to the service from coming into care. The social work domestic abuse team provides wrap-around services to families and is successfully supporting parents to recognise, respond, and reduce risks and keeping children safely at home with their families.
61. **Use of Capital Receipts:**
62. The planned use of capital receipts includes £0.133m of funding for the Nexus project, along with other initiatives, such as 'Break the Cycle' invest to save scheme to achieve savings in future years, and Early Help interventions.
63. **Place** ([Appendix E](#))
64. The Place department is reporting a forecasted favourable variance of £1.670m against a net budget of £29.974m. However, the notable pressures that were reported in Quarters 1 and 2 in Homelessness (£1.200m) and Passenger Transport (£1.460m) remain areas of risk. The Homelessness and Passenger Transport variances were the focus of the two Pressure Challenge Boards that were held to review the current actions plans and explore further options to reduce or mitigate these pressures. The outcomes of which are continuing to improve the previously reported pressures.
65. The pressure in Culture service was partly addressed through the MTFP for 2021/22 and the service has continued to seek options for savings and ways to mitigate the pressure. The forecast pressure has reduced as at quarter 3 and is now £0.100m, compared to £0.130m in quarter 2. This has been achieved through underspends in the Dugdale budget.
66. The Homelessness Service continues to manage challenging demand pressures and the underlying forecast variation to budget remains at £1.200m. This is due to the number of tenants in Emergency Accommodation (EA) at the start of the year being far higher than anticipated when the budgets were produced, the expectation was that there should be circa 2,750 tenants at the beginning of April 2021 however there were actually 3,442.
67. The variance in Parking Enforcement is forecast to be £2.565m, as a result of putting in place traffic enforcement and parking control measures. The parking account is a ring-fenced account which is governed by Section 55 of the Road Traffic Regulations Act which specifies the use of any income in excess of the parking operational costs; this will be utilised to contribute towards the £10.250m of concessionary travel costs incurred.
68. Meanwhile use income from Meridian Water is forecast to be a £0.972m favourable variance.
69. Development management are forecasting a £0.569m variance which is predominantly because of a shortfall in the Pre-Planning Applications (PPA) and other services income.

70. There are a number of other minor variances across the department that are all helping to mitigate the pressures, which are noted in [Appendix E](#).
71. **Use of Capital Receipts:**
72. The planned use of capital receipts included £0.180m to establish Millfield House and theatre as an independent cultural venue which is no longer proceeding for 2021/22. Two invest to save initiatives are included, with a new Commercial manager being created in Planning and a scheme being implemented to improve the recycling rates from flats (£0.068m).
73. Further details are provided in [Appendix E](#).
74. **Resources (Appendix F)**
75. The Resources Department is reporting a net variance of £0.927m after the application of capital receipts against a net budget of £31.328m. This represents an improved position on the £1.2m forecast at quarter 2.
76. Digital services have experienced challenges in recruitment which has meant a greater reliance on temporary staff which cost more than if the service could permanently recruit. Additional resources have also been required in the security service which reflects the increase risk of cyber threats.
77. An overspend of £0.9m is forecast due to additional security related expenditure on applications, compliancy and testing and the need for dual running costs of the CRM/CMS system until the existing system is decommissioned at the end of the financial year.
78. Exchequer Services are reporting a favourable variance of £0.3m having achieved savings in staffing, operational costs, recharges to the pension fund and a review of historic transactions resulting in the recovery of some overpayments.
79. The Financial Assessment service which was previously reporting a £0.1m adverse variance in quarter 2 is currently projecting a net nil variance having identified additional grant income attributable to the service.
80. The Customer Operations team are forecasting a positive £0.2m variance as a result of vacancies in the Customer Service team.
81. The Income Collection team are experiencing increased customer demand requiring additional resources to manage the workload, as well as additional resource put into support Housing Benefit sign up to assist in increasing emergency accommodation client income, alongside savings associated with the payment programme that are unlikely to be delivered this year are all contributing to a £0.24m adverse variance.
82. **Use of Capital Receipts:**
83. As per the Budget Report, investment in Digital services was agreed with a current forecast of £0.297m to develop business cases for new projects as part of the portfolio's pipeline.
84. The forecast net cost of the Transformation Team is by its nature transformation project costs and are planned as described in the Budget Report 2021/22 to be funded by the flexible use of capital receipts.
85. Further details of Resources outturn variations are provided in [Appendix F](#).

86. **Corporate**

87. Other than the £3m corporate contingency, concessionary fares underspend of £0.335m, and general inflation underspend of £0.500m all other corporate budgets are reporting a neutral position. This includes the budget for 2021/22 pay awards where final decision remains pending.
88. Concessionary fares are projecting a spend of £9.375m, based on London Councils revised settlement agreement which is a reduction of £0.335m from their original projection. Following a remodelling exercise of expected travel usage and journey lengths and completing negotiations with the transport operators, London Councils have revised the settlement agreement resulting in an in-year improved position.
89. The £0.500m forecast underspend is as a result of inflationary pressures being managed well in the services and therefore £500k not needing to be released to the departments. However, inflation remains an area of concern for future budgets.

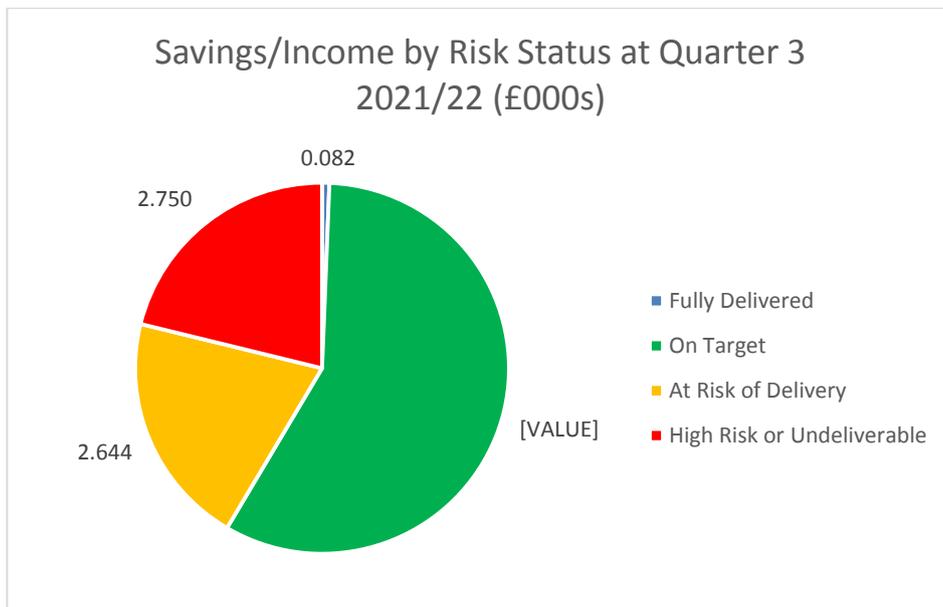
Covid-19 Impact (Appendix G)

90. **Chief Executive's: net budget is £9.6m; the total estimated additional costs of £1.0m (10%)**
91. The focus of Covid-19 impact has shifted in the Chief Executive's department from loss of income to expenditure in 2021/22. The more notable areas are additional legal cover required to deal with the increase in Children's social care cases and the additional cost incurred related to the recent elections. Though it should be noted that this was partly covered by the Local Elections grant.
92. **People: Adult Social Care (ASC) and Public Health – net budget is £78.7m; the total estimated additional costs of £5.5m (Gross i.e. includes NHS Hospital discharge costs), £4.1m (Net) 4.9%**
93. The impact on Adult Social Care (ASC) continues to be additional cost. The current forecasted impact directly in the department is £1.524m. With an increased pressure in Community Based and Residential services and significant cost pressures are judged to be additional staffing costs of £0.2m for additional staffing across ASC services.
94. Additional costs of £0.4m are anticipated resulting from the cancelation of routine operations e.g. hips, knees and the long term impact this may have a care cost. Placement breakdowns in Learning Disability services are also forecast to cost an additional £0.4m.
95. Outside safe areas in care facilities are also planned at a cost of £0.2m to be funded from the Contain Outbreak Management Fund grant.
96. The NHS Hospital discharge programme has been extended and is now forecast to cost a further £1.4m though this is recovered from the additional Government funding that has been allocated to the NHS.
97. There have been further tranches of the Infection Control grant, the Rapid testing grant and a Work-Force Recruitment and Retention grant plus additional support to deal with the impact of Omicron. The total grants allocated are now £7.59m which have been passported on to care providers in line with the grant conditions.

98. **People: Education – net budget is £4.3m; the total estimated additional costs are £0.338m (7.8%)**
99. Additional support staff resources are required in the SEND team to manage and deal with the backlog of cases resulting from the pandemic. In order to support Covid-19 recovery in the boroughs Schools, a pilot of after school provision for supervised independent study is taking place in four of the borough's secondary schools, costing circa £48k. This pilot will now be extended to include all secondary schools at a total cost of £218k. Further, additional support is also proposed to be put in place for the primary sector at a cost of £300k (this is not yet reflected in Appendix G).
100. **People: Children & Families – net budget is £44.3m; the total estimated additional costs of £3.8m (8.6%)**
101. The most significant cost forecast relates to £1.7m pressure in care placements, due to increase in number of court proceedings, and the need for support packages into homes to safeguard particularly but not exclusively children with SEND and/or severe emotional and mental health. The need for additional staffing resources continues, with £1.147m for addition staff predominantly source via agencies, a further £0.364m required to recruit and retain social workers and £0.02m required to provide additional short-term capacity to support safeguarding and quality assurance. Various items are to be funded from the Contain Outbreak Management Fund and include increase in short breaks, outside safe areas to increase contact facilities, and PPE.
102. **Place – net budget is £29.974m; the total estimated additional costs of £15.495m gross (52%) – includes income losses due to Covid**
103. Strategic Property Services are forecasting a £0.176m loss of income due to Covid-19 from areas such staff car parking fees and filming income.
104. £3.207m of expenditure will funded by the Welcome Back Grant/Reopening the High Street Safely grant and the Additional Restrictions Grant, which is expected to be fully distributed by the end of this year.
105. Temporary additional resources of £0.131m have been required in the Planning service to implement workload recovery and backlog management plan in response to the pandemic. Plus £0.080m income loss in the Strategic Planning & Design services.
106. Loss of income of £3.538m is expected in the Environment & Operational Services directorate (i.e., Parking, Highways, Traffic and Transport, Commercial waste, Passenger Transport, Regulatory Services, waste services, leisure services and parks activities and engagement).
The most substantial loss of income continues to be experienced in Parking income, the restrictions and National Lockdowns has meant less travel undertaken and less use of car parks, resulting in a forecast loss of £2.598m.
107. Operational services such as Fleet, Waste Operations, Street Scene, Parks Operations, have all had to incur additional expenditure during the pandemic at a cost of £1.463m.

108. The total estimated cost for Community Mass Testing Programme & Mobile Testing Units, Covid Marshals & Locally Supported contact tracing and Mortuary is circa £2.788m.
109. The estimated Covid-19 related cost in the Housing is £3.8m, of which £1.9m is the continuation of the housing and support to protect rough sleepers, with £1.9m the impact of Covid-19 on the services ability to deliver the savings programme.
110. **Resources: net budget is £31.328m; the total estimated additional costs of £8.99m (28.4%)**
111. The most significant impacts identified in Resources services relate to additional costs. £0.417m relates to additional IT requirements, £0.56m additional demand in the Financial Assessments Team and £0.84m in Income Collection. Additional expenditure also continues to be incurred to meet the demand in Customer operations which is being funded from the grant to support the clinically extremely vulnerable.
112. The increase in the number of discretionary housing payments resulting from Covid-19 is still to be determined.
113. There is an estimated loss of income across services in the department of £0.9m with the most significant being in catering which continues from last year though not at the same extent. The recovery of Court costs has seen an improvement and is forecast to be within budget for 2021/22 and therefore no longer a Covid-19 related pressure.
114. The forecast also includes expenditure of £4.376m that will be funded via the Winter Grant/Local Support/ Household Support scheme, self isolation payments of £0.6m which are also funded from a specific government grant and £1.0m for the Practical Support for those self isolating.
115. **Corporate**
116. In 2020/21 a contribution to the London provision of coroners and mortuary services cost an additional £1.4m. There has not been a further call in 2021/22 and the provision has been removed to reflect this and unspent funds from 2020/21 have been returned which will support the Council Covid-19 resources for 2021/22.
117. An estimate for Personal Protective Equipment has been included at £0.15m for use across all Council services excluding Adult Social Care where this is recorded separately for the purposes of the MHCLG return.
118. There is still a contingency held for unknown Covid-19 impacts which will be continued to be reviewed and where possible carried forward into 2022/23 to help manage longer term Covid-19 impact.
119. **Collection Fund**
120. The Collection Fund deficit is forecast to be offset by the use of the Collection Fund Equalisation Reserve, as the ongoing pressure will be spread over 3 years. The majority of the impact will be funded by the Taxation Income Guarantee and the COVID Relief Grants provided by Central Government.
121. Further details of Covid-19 variances are provided in [Appendix G](#).
122. **Flexible Use of Capital Receipts ([Appendix H](#))**

123. 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.
124. 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.
125. 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.
126. The Budget Report 2021/22 set out the plan for use of capital receipts this financial year. However, since the Budget report several new Invest to Save schemes have been approved and reflected in this report. The total forecasted call on capital receipts as at Quarter 3 is £1.501m as described in [Appendix H](#).
127. **Achievement of Savings ([Appendix I](#) and [Appendix J](#))**
128. 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
129. The savings include those that are new for 2021/22 plus the full year effect of previous decisions.
130. Of the £13m departmental savings, £7.6m is expected to be fully delivered at this stage.
131. However, £2.6m 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.
132. Chart 2: Savings/Income Risk Status 2021/22



133. Further details for each department are summarised in the charts and tables in [Appendix I and Appendix J](#).
134. **Dedicated Schools Grant (DSG) (Appendix K)**
135. For 2021/22 Enfield received a total Dedicated Schools Grant allocation of £373.187m (as at December 2020) and the funding is allocated across four blocks; £283.399m for the Schools Block, £2.537m for the Central Schools Services Block, £26.553m for Early Years and £60.697m for the High Needs Block.
136. In 2020/21 there was a bought forward DSG deficit of £4.482m but due to ongoing High Needs pressures there was a net in year overspend of £3.567m resulting in a cumulative outturn deficit of £8.049m which was bought forward to 2021/22.
137. There continues to be cost pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are now 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.
138. At the end of Quarter 3, there is a projected in year overspend of £5.223m, which includes the estimated Early Years clawback for 2020/21. The projected outturn position for 2021/22 is a deficit of £13.272m, a £0.385 improvement on the projected position at Q2. The main pressures are within the High Needs Block and relate to the development of additional in borough provision, an increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools, the development of early intervention strategies and from September 2021, increased forecasts in out of borough placements.
139. 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 the outcomes have been delayed due to other pressures during the Covid-19 pandemic.

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

141. The table below summarises the changes between the balances reported in the outturn report and what is the provisional final outturn, as well as providing the forecast position for 2021/22 based on Quarter 3:

	2020/21 Outturn Report Balance £m	2020/21 Provisional Final Outturn Balance £m	2021/22 Forecast based on Q3 £m
Risk Reserve	(20.527)	(21.006)	(22.623)
Covid-19 Risk Reserve 2021/22	(10.000)	(10.000)	(10.000)
Balance Sheet Management	(2.000)	(3.040)	(3.040)
Collection Fund Equalisation Reserve	(10.542)	(24.396)	(18.577)
Housing Benefit Smoothing Reserve	(9.566)	(9.566)	(5.276)
Adult Social Care Smoothing Reserve	(3.697)	(3.697)	(2.297)
NLWA Reserve	(1.349)	(1.349)	(1.349)
MTFP Smoothing Reserves	(37.154)	(52.481)	(40.539)
Capital Financing	(23.428)	(23.428)	(23.307)
Service Specific	(11.161)	(11.161)	(14.857)
Property	(2.101)	(2.101)	(1.511)
Grants & Other Contributions	(15.130)	(15.242)	(8.010)
Sub-total GF Usable Reserves	(124.43)	(125.419)	(110.848)
Insurance	(7.021)	(7.022)	(7.022)
General Fund Balance	(13.950)	(13.950)	(13.950)
GF Earmarked Reserves	(145.400)	(146.390)	(131.819)
HRA Earmarked Reserves	(11.120)	(25.311)	(37.153)
Schools	0.242	0.242	0.242
Total Reserves & Balances	(156.542)	(171.281)	(168.730)

142. 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.

143. The Risk reserve had significantly reduced over the past few years but an in year review of earmarked reserves and the final outturn position has meant that the Council has been able to replenish the risk reserve. The balance is forecast to be £22.6m at year end reflecting that the Budget was set on using £1.927m of the reserve to balance 2021/22. Given the

ongoing financial uncertainty created by the pandemic and specific Covid-19 reserve was created and the balance remains at £10m.

144. The General Fund Balances are forecast to be held at £13.950m (on a net budget of £263m, i.e. 5.3%; and borrowing of £938.6m). 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 2021/22 considering the new risks and uncertainty brought about by Covid-19.
145. The £39m Smoothing Reserves relating to Council Tax (£133m) /Business Rates (£94m) and Housing Benefits (£260m claim per year) are currently forecast to be required over the course of 2021/22 with a year end forecast of £27.5m.
146. The £23.3m of Capital and Minimum Revenue Provision reserves are committed for the next five years to smooth any increased budget requirement.
147. Whilst the overall total has broadly remained the same since the publication of the Outturn report, it is worth noting a key change in the presentation of the S31 Reliefs Grant. This was shown separately in the Outturn Report, however, the balance itself is in the Collection Fund Equalisation Reserve which is one of the smoothing reserves referred to above.
148. **Medium Term Financial Impact**
149. 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, a number of key financial risks facing the Council are set out below:
 - The ongoing anticipated impact of Covid-19 on Council Tax and Business Rate debt; the 2021/22 budget includes £3.188m which had 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.
 - The unknown impact of Covid-19 on Adult Social Care costs, in particular, delayed operations and long Covid-19 and undetermined suppressed need such as mental health.
 - One of the most significant areas of risk is the ongoing impact on Emergency Accommodation costs arising from the economic impact of Covid-19 and suppressed need.
 - The risk of increasing number of children in need as families bear the sustained economic impact of Covid-19 and increased need for respite packages for families with children with disabilities.
 - Ongoing impact of Covid-19 on Council fees and charges income.
 - Changes in working patterns and lifestyle impacting on car park income, waste services.
 - Unknown impact on businesses and residents when furlough scheme ends in September 2021.

150. These anticipated Covid-19 financial pressures are likely to impact over the medium term, however, there is no precedent to base the forecast impact and therefore, the picture remains uncertain. In addition, the ongoing uncertainty over the medium-term funding of local government and no guarantees regarding future funding for the legacy costs of Covid-19 exacerbates this position. In this context, the action taken in 2020/21 and resulting strengthened reserves will ensure Enfield is better placed to face these challenges.
151. Full details of the of the MTFP 2022/23 to 2026/27 can be found in the Council papers of Thursday 24th February.
152. **Safeguarding Implications**
153. 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.
154. **Public Health Implications**
155. 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.
156. 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.
157. **Equalities Impact of the Proposal**
158. 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.
159. Financial reporting and planning are important in ensuring resources are used to deliver equitable services to all members of the community.
160. **Environmental and Climate Change Considerations**
161. None in the context of this report.
162. **Risks that may arise if the proposed decision and related work is not taken**
163. None in the context of this report.
164. **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

165. The budget risks during 2021/22 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 2021/22.

166. **Financial Implications**

167. 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 2021/22.

Legal Implications

168. 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.

169. **Workforce Implications**

170. None in the context of this report.

171. **Property Implications**

172. None in the context of this report.

173. **Other Implications**

174. None in the context of this report.

175. **Options Considered**

176. Not relevant in the context of this report.

177. **Conclusions**

178. Despite the balanced position achieved in the 2020/21 outturn, the Council has not lost sight of the fact that it continues to face its most significant financial challenge 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 for Quarter 3 identifies some significant pressures Executive Directors and services are working to reduce these pressures through reviews and other corporate initiatives such as Pressures Challenge Boards looking at the most significant pressure areas. The Covid-19 impact continues to be monitored and it is expected that the Government funding will be sufficient to meet the Covid-19 impact, although there is of course the continued uncertainty around the impact of the pandemic and the adverse impact on the additional costs and income losses currently forecast. These are all under continuous review and £6.3m has needed to be built into the Medium Term Plan initially as a one off but potentially as ongoing cost.

Report Author: Matt Bowmer
Director of Finance
matt.bowmer@enfield.gov.uk

Date of report: 28th February 2022

Appendices

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

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

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

[Appendix D: People Variances](#)

[Appendix E: Place Variances](#)

[Appendix F: Resources Variances](#)

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

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

[Appendix I: Achievement of Savings](#)

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

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

[Appendix L: Reserves and Balances](#)

[Appendix M: Contain Outbreak Management Fund](#)

Background Papers

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

- Revenue Outturn 2020/21 – KD5325
- Initial Assessment Report of the Financial Impact of Covid-19
- 2021/22 Budget & Medium Term Financial Plan 2021-22 to 2025-26 - KD5213
- Medium Term Financial Plan 2022/23 to 2026/27 and Early Savings Proposals (KD5337)
- Revenue Monitoring 2021/22: Quarter 1 (June 2021) – KD5334
- Revenue Monitoring 2021/22: Quarter 2 (September 2021) – KD5338

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	•	The Quarter 3 forecast outturn is an adverse variance of £0.129k before the use of contingency funds. The planned drawdown of reserves is no longer required; and the reserves will be increased by £0.944m from the unused contingency budget.
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 £2.6m that are at risk of delivery. These are reflected in the reported position for Quarter 3 2021/22.
Income & Expenditure Position – DSG		The DSG forecast is a £5.2m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £13.3m and will be the first call on the 2022/23 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 is in line with expectations set out in the Council's Medium Term Financial Plan.

Appendix B**Forecasted Financial Position as at Quarter 2**

	£m	£m
Covid-19 impact (2021/22)	44.191	
Covid-19 impact (2022/23)*	0.306	
Covid-19 HRA Impact (2021/22)	0.458	
		44.955
Funding		
Covid-19 Support Grant 2021/22	10.534	
Covid-19 Support Grant c/f 2020/21	4.287	
Sales, Fees & Charges support (estimate)	1.582	
Contain Outbreak Management 2021/22	2.718	
Contain Outbreak Management c/f 2020/21	3.960	
Test, Track & Trace c/f 2020/21	1.195	
Community Testing Programme	1.885	
CEV grant c/f 2020/21	0.274	
Reopening High Street Safely/Welcome Back	0.262	
ARG	2.944	
Infection Control & Rapid Testing Tranche 1, 2 and 3	4.726	
ASC Workforce Recruitment and Retention – Round 1&2	2.502	
Omicron Support Fund	0.325	
NHS Hospital Discharge funding	1.400	
Substance Misuse	0.271	
Local Elections Grant	0.104	
Self Isolation Payment admin	0.608	
Winter Grant scheme/Local Support Grant/Household Support Grant	4.376	
Practical Support Grant	0.998	
Total Funding		44.955
Gap After Funding		0.000

* These are projects started in 2021/22 which will continue into 2022/23.

Appendix C

Chief Executive	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Strategy, Partnership, Engagement and Consultation Gross variance relates to Invest to save project to be funded via the flexible use of capital receipts and further posts being held vacant following the implementation of a restructure.	(0.125)	(0.025)	(0.150)	(0.150)
Communications Gross variance relates to Invest to save project to be funded via the flexible use of capital receipts and part year reduction in costs relating to maternity leave.	(0.009)	(0.041)	(0.050)	(0.025)
Electoral Services The variance is due to spend on the by-election in May and July, plus unclaimable expenditure incurred on the GLA elections. The increase since quarter 2 is due to costs associated with annual canvassing and household notification letters.	0.330	0.000	0.489	0.330
Other variances	(0.196)	0.000	(0.196)	(0.100)
Chief Executive Total	0.000	(0.066)	0.093	0.055

[Return to Chief Executive Narrative](#)

Appendix D

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Adult Social Care				
Strategy & Resources 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.	0.000	0.000	0.000	0.000
Mental Health The service is currently projecting a zero variance.	0.000	0.000	0.000	0.000
Learning Disabilities This service includes the in house day services. The service is projecting a slight 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 expensive transition cases.	0.122	(0.000)	0.122	0.122
Older People and Physical Disabilities (the Customer Pathway) This service includes the in house residential and nursing home. The service is currently projecting an overspend, in demand	1.524	0.000	1.524	1.448

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
particularly with community-based services. There has been an increase in demand, following a lower number of clients last year due to Covid-19.				
Other Minor variances	0.000	0.000	0.000	0.000
Adult Social Care Sub Total	1.646	(0.00)	1.646	1.570
<p>Public Health Grant</p> <p>The Departmental forecast also includes the ring-fenced Public Health Grant. The Public Health grant in 2021/22 is £17.53m, this reflects an increase in the grant of grant of 1.4%, however, 0.7% of this is for PrEP (pre-exposure prophylaxis) a medicine people to prevent getting HIV. The inflation increase is therefore 0.7%. Over 85% of spend in Public Health is for services contracted to the NHS, for which a pay increase of 3% nationally has been offered (but no accepted) without additional funding. There is also a risk that demand led sexual health services post pandemic could also result in additional pressures. Whilst this year's pressures can be absorbed this year by one off savings, the risk is without additional funding for these pressures will cause an overspend in future years.</p>	0.000	0.000	0.000	0.000
Public Health Sub Total	0.000	0.000	0.000	0.000
Adult Social Care & Public Health	1.646	(0.000)	1.646	1.570

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Education				
Enhanced Pension costs These are the cost of former employees on enhanced pension and forecasted variance is £0.230m.	(0.230)	0.000	(0.230)	(0.230)
Exit costs from restructure in Education services	0.328	0.000	0.328	0.256
Other variances Additional traded income in some areas and underspends in other services which help to offset early retirement costs above	(0.131)	(0.008)	(0.139)	0.016
Education Sub Total	(0.033)	(0.008)	(0.041)	0.042
Children and Families				
Children In Need This is predominantly because of £0.150m underspend in Section 17 budget and vacancies in the Child Protection and Vulnerable children team due to Covid-19 pressures.	(0.242)	0.000	(0.242)	0.179
Looked After Children The largest variance is a £0.421m favourable variance in former unaccompanied asylum-seeking children from maximising benefits for care leavers and clients moving to their own accommodation.	(0.423)	(0.037)	(0.460)	0.185

People	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
The impact of Court delays in granting Special Guardianship Orders created a favourable movement of £0.203m. Adoption allowances are forecast to be £0.103m underspent, external childcare placements budget is forecasting an underspend of £0.061m, and Leaving Care is forecasting an underspend of £0.050m. Heart is reporting a favourable variance of £0.063m due to vacancies. However, a complex care case is creating a £0.391m pressure on the support cost budget.				
Young People & Community Safety The favourable variance of £0.100m is due to an underspend in Community Safety.	0.040	(0.140)	(0.100)	0.000
Joint Service for Disabled Children The overspend is predominantly due to an increased demand in overnight breaks, commissioning and increase in Direct Payments rate.	0.406	(0.041)	0.365	0.361
Other Variances Though the cost of translations and staffing pressures in Safeguarding and Operational Support creates a pressure of £0.159m, this is mitigated by a favourable variance in the Centre of Excellence.	0.096	0.000	0.096	0.096
Children and Families Services Sub Total	(0.123)	(0.218)	(0.341)	0.821

[Return to People Narrative](#)

Appendix E

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
<p>Development Management</p> <p>Shortfall of £0.569m in Pre Planning Application and Building Control income and additional cost incurred in planning appeals. This is partly offset by favourable variance in reported in Land charges income.</p>	0.569	(0.000)	0.569	0.500
<p>Strategic Planning & Design</p> <p>The £0.240m variance is due the Local Plan budget pressure, plus loss of income from S106 and Planning Feasibility Studies.</p>	0.240	0.000	0.240	0.160
<p>Culture Services</p> <p>£0.100m overspend is currently forecasted, this is due to the cost pressures resulting from the reopening of Millfield Theatre, which has been mitigated through additional rental income from the Dugdale vaccination centre.</p>	0.100	0.000	0.100	0.130
<p>Economic Development</p> <p>£0.130m forecasted overspend, due to salary overspend.</p>	0.130	0.000	0.130	0.137
<p>Highways</p> <p>The £0.168m variance is due a saving proposal still to be delivered, along with essential safety works undertaken.</p>	0.118	0.000	0.118	0.166

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
Street Lighting £0.316 favourable variance, this is a result of an accrued saving from April 2019 to June 2021, and other operational under spends.	(0.316)	0.000	(0.316)	(0.290)
Traffic & Transportation The forecast variance is due to additional Traffic Order income.	(0.351)	0.000	(0.351)	(0.343)
Parking Services The forecasted variance is a result of putting in place additional traffic enforcement and parking control measures.	(2.565)	0.000	(2.565)	(1.917)
Regulatory Services Favourable variance mainly due to income from the FPNs Enforcement.	(0.299)	0.000	(0.299)	(0.213)
Health & Safety team Due to underspends in salary costs	(0.109)	0.000	(0.109)	(0.090)
Cemeteries Positive outturn is forecast resulting from improved burial sales.	(0.396)	0.000	(0.396)	(0.150)
Waste Services The variance reported on the underlying budget is due to increased take up of the garden waste service. The flexible use of capital receipts is to fund an invest to save scheme to improve recycling	(0.144)	(0.068)	(0.212)	(0.164)

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
rates in flats.				
Commercial Waste The underlying positive forecast is due to surpluses in the schedule 2 and housing trade waste services.	(0.163)	0.000	(0.163)	(0.118)
Street Scene The £0.360m relates to the provision of additional street cleansing (across the Borough), including weekends and early retirement exit costs.	0.360	0.000	0.360	0.095
Parks Operations/Activities & Engagement This is due to forecasted improved income from allotments and concessions.	0.027	0.000	0.027	(0.049)
Fleet Services Salary and operational underspends	(0.100)	0.000	(0.100)	(0.095)
Passenger Transport Service The projected over spend is mainly due:- 1) Increase in numbers - up to 1,202 in Jan 2022 (from 980 in Jan 2019/20) 23% uplift. 2) Increased number of single occupancy routes from 77 in 2019/20 to 103 in 21/22, with an average cost of about £25k per	1.460	0.000	1.460	1.971

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
annum (with costs ranging from £7k to £85k per annum). Some of the reasons are: 1) Schooling available for more complex cases 2) Behavioural issues getting worse as they get older				
Construction Maintenance Facility Management (CMFM) The projected overspend is due to shortfall in staffing recharges.	0.182	0.000	0.182	0
R&M (Repairs and Maintenance) The projected overspend is due to the uplift applied to the capital di minimis threshold increased from £0.01m to £0.05m.	0.350	0.000	0.350	0
Meridian Water Forecasting additional meanwhile use income. The underlying variance is £0.972m but £0.350m has been transferred to reserves to address a one off pressure in 2022/23.	(0.972)	0.000	(0.622)	(0.401)
Strategic Property Services The forecasted favourable variance of £0.458m is due to increased rental receipts from the Montague Industrial Estates, staffing under spend and various backdated rental income adjustments.	(0.458)	0.000	(0.458)	(0.033)
Housing Homelessness - £3.1m overspend. This is due to the number of	1.200	0.000	1.200	1.200

Place	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
tenants in EA at the start of the year being far higher than anticipated when the budgets were produced, the expectation was that there should be circa 2,750 tenants at the beginning of April 2021 however there were actually 3,442.				
No Recourse to Public Funds (NRPF) NRPF is £0.300m underspent due to less families than expected needing to use the service.	(0.300)	0.000	(0.300)	(0.300)
Other minor variances	(0.165)	0.000	(0.165)	(0.113)
Place Department Total	(1.602)	(0.068)	(1.320)	0.083

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Appendix F

Resources	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q3 (£m)	Net Forecast Variance Q2 (£m)
<p>Digital Services</p> <p>The service has experienced challenges in recruitment which has meant a greater reliance on temporary staff which cost more than if the service could permanently recruit.. Additional resources have also been required in the security service which reflects the increase risk of cyber threats.</p> <p>An overspend of £0.9m is forecast which is due a number of factors: the need for dual running costs of the CRM/CMS system until the existing system is decommissioned at the end of the financial year, further additional security related expenditure on applications, compliancy and testing. Circa £0.160m relates to inflationary pressure on annual contracts and new spend on statutory or critical items.</p>	1.254	(0.297)	0.958	0.958
<p>Customer Experience</p> <p>Exchequer Services are reporting a favourable variance of £0.3m which is an increase of £0.2m since quarter 2. Savings in staffing, operational costs and recharges to the pension fund have been achieved. The movement since quarter 2 is due to additional one-off savings following a review of historic transactions which have resulted in refunds due to the council.</p>	(0.237)	0.000	(0.237)	(0.033)

<p>The Income Collection team are experiencing increased customer demand requiring additional resources to manage the workload, as well as additional resource put into support the Housing Benefit sign up to assist in increasing emergency accommodation client income, alongside savings associated with the payment programme that are unlikely to be delivered this year are all contributing to a £0.24m adverse variance.</p> <p>Vacancies in the Customer Service team are contributing to a forecast £0.17m underspend. Whilst strong income generation in the visa verification service is leading to a favourable forecast this is offset by a shortfall in income across the remainder of the library service due to the pandemic.</p>				
<p>Transformation</p> <p>The forecast overspend is transformation project costs and are planned as described in the Budget Report 2021/22 to be funded by the Flexible use of capital receipts.</p>	0.844	(0.844)	0.000	0.000
<p>Other variances</p>	0.206	0.000	0.206	0.365
<p>Resources Department Total</p>	2.067	(1.140)	0.927	1.229

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Appendix G

Covid-19 Impact	Additional Expenditure	Loss of income	Impact on Savings
	£m	£m	£m
Chief Executive			
CEX: Life After Loss Project with CAB	0.070	0.000	0.000
CEX: Additional legal costs to cover rising C&F case work	0.521	0.000	0.000
CEX: Communications Officer	0.046	0.000	0.000
CEX: Communications & Marketing	0.120	0.000	0.000
CEX: Additional Elections cost	0.191	0.000	0.000
CEX: Emergency Planning	0.044	0.000	0.000
Chief Executive Total	0.992	0.000	0.000
People			
Adult Social Care			
ASC: Additional Social Workers/agency staff-MH	0.058	0.000	0.000
ASC: Additional Social Workers/agency staff-OP/PD Social workers and OTs	0.030	0.000	0.000

ASC: Additional Social Workers/agency staff-Enablement staff DTA	0.040	0.000	0.000
ASC: Additional Social Workers/agency staff-LD	0.045	0.000	0.000
Specialist nursing care to providers LD/MH	0.050	0.000	0.000
Additional payments to carers to cover self isolating	0.010	0.000	0.000
ASC: Expenditure on P-cards: food, supplies, care of pets, transport.	0.030	0.000	0.000
ASC: Additional long term care purchasing costs as a result of cancelation of routine operations, hip, knee etc	0.400	0.000	0.000
ASC: Learning Disability Service – Placement breakdown	0.350	0.000	0.000
ASC: Hospital Discharge	1.400	0.000	0.000
ASC: Infection Control Phase 1 – Care Homes & Community Providers	0.670	0.000	0.000
ASC: Rapid Testing Phase 1 - Care Homes & Community Providers	0.698	0.000	0.000
ASC: Infection Control Phase 1 – LA Discretionary Amount	0.287	0.000	0.000
ASC: Infection Control Phase 2 – Care Homes & Community Providers	0.478	0.000	0.000
ASC: Rapid Testing Phase 2 – Care Homes & Community Providers	0.533	0.000	0.000
ASC: Infection Control Phase 2 - LA Discretionary Amount	0.205	0.000	0.000

ASC : Infection Control Phase 3 - Care Homes & Community Providers	0.873	0.000	0.000
ASC : Rapid Testing Phase 3 – Care Homes & Community Providers	0.608	0.000	0.000
ASC : Infection Control Phase 3 – LA Discretionary Amount	0.374	0.000	0.000
ASC : Social Care Workforce Recruitment & Retention – Round 1	0.879	0.000	0.000
ASC : Social Care Workforce Recruitment & Retention – Round 2	1.623	0.000	0.000
ASC – Omicron Support	0.325	0.000	0.000
ASC: Outside Safe areas	0.200	0.000	0.000
Public Health			
Public Health: Community Food Co-ordinator	0.028	0.000	0.000
Public Health: Vaccination Bus	0.300	0.000	0.000
Public Health: Rough Sleeping Drug and Alcohol Treatment Grant	0.271	0.000	0.000
Public Health: Outreach support for rough sleepers, people living in encampments, Gypsy Roma and Traveller community.	0.075	0.000	0.000
Public Health: Testing	1.350	0.000	0.000
Public Health: Vaccination deployment	0.700	0.000	0.000
Public Health: Surge Testing	0.723	0.000	0.000
Public Health Consultant & Health Protection Practitioner	0.130	0.000	0.000
ASC and Public Health Total	13.743	0.000	0.000
Children & Families			

C&F: Care placements, support packages into homes to safeguard children particularly but not exclusively children with SEND and/or severe emotional and mental health needs	1.700	0.000	0.000
C&F: Additional staffing resources	1.529	0.000	0.000
C&F: Block booking placements	0.060	0.000	0.000
C&F: PPE for Children's Services (including Leaving care)	0.030	0.000	0.000
C&F: Other Children's related expenditure.	0.005	0.000	0.000
C&F: Increased support for care leavers, increased allowances and cost of accommodation.	0.015	0.000	0.000
C&F: Increased in Short Breaks (JSDC)	0.100	0.000	0.000
C&F: Play equipment (JSDC)	0.025	0.000	0.000
C&F: Our voice parent forum (JSDC)	0.010	0.000	0.000
C&F: Additional home care for children with complex medical needs (JSDC)	0.030	0.000	0.000
C&F: Outside safe areas to increase contact facilities	0.068	0.000	0.000
C&F: Youth Services	0.027	0.000	0.000
C&F: Delays in final hearings due to backlog at Courts	0.152	0.000	0.000
C&F: Covid-19 Reward Payments (JSDC)	0.003	0.000	0.000
C&F: Configuration of laptops provided by the DfE for care leavers	0.016	0.000	0.000

C&F: Youth Participation Consultation & Engagement Recovery Project	0.028	0.000	0.000
Children & Families Total	3.798	0.000	0.000
Education			
Education: SEND support staff	0.120	0.000	0.000
Education: pilot after-school provision for supervised independent study at four Enfield secondary schools (a further £300k for primary is also committed reducing the current contingency of £341k)	0.218	0.000	0.000
Education Total	0.338	0.000	0.000
Place			
Homelessness Service	1.900	0.000	1.900
Development Management Planning	0.131	0.000	0.000
Strategic Planning & Design	0.000	0.080	0.000
ARG Grant and Welcome Back Fund	3.207	0.000	0.000
Highways Services (Loss of income from advertising on Highways)	0.000	0.050	0.000
Traffic & Transportation – loss of income from TFL	0.037	0.238	0.000
Parking Services	0.034	2.598	0.000

Regulatory Services	0.000	0.063	0.000
Cemeteries	0.000	(0.050)	0.000
Waste Operations	0.674	0.064	0.000
Commercial Waste Services	0.000	0.033	0.000
Street Scene Services	0.132	0.000	0.000
Parks Operations and Parks Activities & Engagement	0.117	0.044	0.000
Leisure Services	0.000	0.358	0.000
Fleet Services	0.448	0.000	0.000
Passenger Transport Service (Swims)	0.000	0.090	0.000
Construction Maintenance Facility Management (CMFM)	0.020	0.050	0.000
Community Mass Testing Programme & Mobile Testing Units + Covid Marshals & Locally Supported contact tracing + Mortuary	2.788	0.000	0.000

Meridian Water Team & Meridian Water Meanwhile Use Income	0.000	0.060	0.000
Strategic Property Services	0.071	0.176	0.000
General Fund - Community Halls & Youth Centres	0.000	0.182	0.000
Place Total	9.559	4.036	1.900
Resources			
Winter Grant/ Local Support/ Household Support	4.376	0.000	0.000
Practical Support for those Self Isolating	0.998	0.000	0.000
Customer Experience: Financial Assessments staff overtime	0.174	0.000	0.000
Customer Experience: Civica on Demand Extra staff – Benefits	0.300	0.000	0.000
Customer Experience: Additional Financial assessment staff	0.085	0.000	0.000
Customer Experience: Additional Resources in Income & Debt service post COVID recovery	0.342	0.000	0.000
Customer Experience: Inc & Debt staff time	0.023	0.000	0.000
Customer Experience: Inc & Debt agency staff	0.055	0.000	0.000
Customer Experience: Inc & Debt Civica on Demand	0.418	0.000	0.000
Digital: Overtime	0.025	0.000	0.000

Digital: H&S equipment such as cleaners, storage, safe disposal, collection of equipment	0.005	0.000	0.000
Digital: Changes to 4th floor/Basement layout	0.015	0.000	0.000
Digital: Additional remote working devices	0.250	0.000	0.000
Digital: Adjustments to allow people with Disability to work remotely	0.020	0.000	0.000
Digital: Increased correspondence with customers to improve collection rates impacted by Covid-19	0.102	0.000	0.000
Customer Experience: Community Hub Lead	0.045	0.000	0.000
Customer Experience: Customer Services additional agency staff	0.175	0.000	0.000
Self Isolations Payments	0.608	0.000	0.000
Schools Catering service income	0.000	0.483	0.000
Music Service	0.000	0.000	0.000
Libraries service income	0.000	0.177	0.000
Other Resources services loss of income e.g. recharges	0.000	0.247	0.000
Resources Total	8.016	0.907	0.000
Corporate			
Corporate: Share of increase mortuary and coroners' provision across London.	0.000	0.000	0.000

Corporate: Personal Protective Equipment across all Council services	0.150	0.000	0.000
Corporate: Communications with residents, banners, posters and guidance	0.030	0.000	0.000
Other miscellaneous costs	0.112	0.000	0.000
Corporate: Covid-19 Pressures Contingency	0.341	0.000	0.000
Corporate: Support for vulnerable groups and targeted community interventions - Housing	0.019	0.000	0.000
COMF: Prevention etc	0.250	0.000	0.000
Corporate Total	0.902	0.000	0.000
Covid-19 Total	37.348	4.943	1.900

[Return to Covid-19 Narrative](#)

Use of Capital Receipts in 2021/22

Appendix H

2021/22 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
People		
Children & Families	0.037	Investment in year 1 of the “Break the Cycle” initiative within Children and Families services. The start of the project has been delayed.
Children & Families	0.181	Investment in Youth Development project ‘Nexus’ and Early Help interventions.
Education	0.008	Investment in Nexus project
Chief Executive		
Communications	0.041	Reflects transfer of Communications post from the Transformation team to the Communications team.
Corporate Strategy	0.025	Digital Development Programme (Digital Infrastructure & Inclusion)
Resources		
Digital Services IT		
Digital Services	0.297	To develop business cases for new projects as part of the Portfolio’s pipeline. This will start in 2020/21 with £60k forecast, however, if there are any delays to recruitment then this will carry forward to 2021/22.
Transformation	0.844	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

2021/22 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		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.
Place		
Waste	0.068	Recycling Improvements in Flats
Total to be funded from the Flexible Use of Capital Receipts 2021/22	1.501	

[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	0.000	2.485	0.440	(1.500)	1.425
New 2020/21	0.800	3.485	2.113	0.850	0.000	7.248
Savings Total	0.800	3.485	4.598	1.290	(1.500)	8.673

Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0.050	0.100	1.659	0.140	0.000	1.949
New 2020/21	0.000	0.120	2.255	0.000	0.000	2.375
Income Total	0.050	0.220	3.914	0.140	0.000	4.324

Total Savings & Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0.050	0.100	4.144	0.580	(1.500)	3.374
New 2020/21	0.800	3.605	4.368	0.850	0.000	9.623
Total	0.850	3.705	8.512	1.430	(1.500)	12.997

Total Savings & Income by Department by Risk Status	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
Blue	0.000	0.819	1.363	(0.600)	(1.500)	0.082
Green	0.850	2.066	3.354	1.250	0.000	7.520
Amber	0.000	0.719	1.145	0.780	0.000	2.644
Red	0.000	0.100	2.650	0.000	0.000	2.750
Total	0.850	3.705	8.512	1.430	(1.500)	12.997

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Savings & Income Monitor

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
CEX	CEX		Income	Improve our registration offer to local residents	1.5	(50)
		Full Year Effects				
CEX	CEX	New Savings/Income Proposals	Saving	Staff Restructures	3.5	(800)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	ASC	New Savings/Income Proposals	Savings	Recommissioning & Procurement	0.0	(190)
People	ASC	New Savings/Income Proposals	Savings	Independence & Wellbeing Senior Management Restructure – Staffing	0.0	(180)
People	ASC	New Savings/Income Proposals	Savings	Learning Disabilities Care Purchasing	0.0	(325)
People	ASC	New Savings/Income Proposals	Savings	Reduced cost of DOLs (Deprivation of Liberty Safeguards)	0.0	(25)
People	Public Health	New Savings/Income Proposals	Savings	Staff Reductions in the Commissioning Team and the Smoking Cessation Team – Service Reduction	0.0	(100)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
People	ASC	New Savings/Income Proposals	Savings	Use of Technology	1.5	(40)
People	C&F	New Savings/Income Proposals	Savings	Review of threshold in financial assessment of new Special Guardians	1.5	(80)
People	Education	New Savings/Income Proposals	Savings	Reduction in the Children Centre Service – Service Reduction	1.5	(50)
People	Education	New Savings/Income Proposals	Savings	Career Service Restructure – Service Reduction	1.5	(46)
People	Education	New Savings/Income Proposals	Savings	DSG Substitution - no impact on services	2.5	(100)
People	ASC	New Savings/Income Proposals	Savings	Staff Reduction – Service Reduction	3.5	(750)
People	C&F	New Savings/Income Proposals	Savings	Care Leavers commissioning and benefit maximisation - Efficiency	3.5	(500)
People	C&F	New Savings/Income Proposals	Savings	Service Restructure – Service Reduction (excluding frontline staff)	3.5	(500)
People	C&F	New Savings/Income Proposals	Savings	Children in Care – reduction	5.0	(210)
People	ASC	New Savings/Income Proposals	Savings	Maximise use of block contracts and in-house services	7.0	(389)
People	ASC	New Savings/Income Proposals	Income	Additional income	7.5	(120)
People	ASC	Full Year Effects	Income	Increased income through fees and charges for chargeable Adult Social Care Services	10.0	(100)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place		Full Year Effects	Saving	Rationalisation of property estate	0.0	(640)
Place		New Savings/Income Proposals	Saving	Bring forward operational property consolidation	0.0	(390)
Place		Full Year Effects	Income	Reprofiled Holly Hill Bunding Income	0.0	600
Place		Full Year Effects	Saving	Parking Contract Renewal	0.0	(35)
Place		Full Year Effects	Saving	Additional LED street light savings	0.0	(260)
Place		Full Year Effects	Income	Waste Savings - Place element of the £2.5m over 2 years	0.0	(700)
Place		New Savings/Income Proposals	Income	Additional income from Green Waste collection as demand for service has exceeded initial projections	0.0	(250)
Place		New Savings/Income Proposals	Saving	Morson Road rent review	0.0	(200)
Place		Full Year Effects	Income	Southgate Cemetery - Mausoleum and Vaulted graves sales	0.0	149
Place		Full Year Effects	Income	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	0.0	(6)
Place		New Savings/Income Proposals	Saving	Close canteen	0.0	(18)
Place		Full Year Effects	Income	Meridian Water Meanwhile use income	0.0	387
Place		New Savings/Income Proposals	Saving	Further review of property portfolio	1.5	(80)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place		Full Year Effects	Saving	Insource Cleaning Contract ongoing efficiencies	1.5	(50)
Place		Full Year Effects	Income	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	1.5	(60)
Place		New Savings/Income Proposals	Income	Traffic Orders	2.5	(125)
Place		New Savings/Income Proposals	Income	Parking charges	2.5	(100)
Place		Full Year Effects	Income	Genotin Road Car Park Redevelopment	2.5	(1,579)
Place		Full Year Effects	Income	Inflation uplift on external clients and receipts income	2.5	(180)
Place		New Savings/Income Proposals	Income	Enforcement efficiencies	2.5	(200)
Place		New Savings/Income Proposals	Saving	Review of property portfolio	3.0	(50)
Place		New Savings/Income Proposals	Income	Bunding Income (one off in 2021/22)	3.5	(400)
Place		New Savings/Income Proposals	Income	Additional Income due to 5% increase in Fees & Charges	3.5	(280)
Place		New Savings/Income Proposals	Income & Saving	Reduction in highways service	3.5	(250)
Place		Full Year Effects	Income	Building Control Plan Drawing Service	4.5	(30)
Place		Full Year Effects	Income	Market Rentals for Council Properties	4.5	(20)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Place		Full Year Effects	Income	Sub-stations rent reviews	4.5	(50)
Place		New Savings/Income Proposals	Saving	CMFM reduction in agency staff	5.0	(125)
Place		Full Year Effects	Income	Increase in fee income in the planning service	5.0	(170)
Place		New Savings/Income Proposals	Saving	Reduce building maintenance	7.0	(500)
Place		New Savings/Income Proposals	Income	Planning Income - Expanding Services	7.5	(100)
Place		New Savings/Income Proposals	Income	Planning - expand services	7.5	(150)
Place		New Savings/Income Proposals	Income	Whitewebbs Lease income	10.0	(100)
Place		New Savings/Income Proposals	Saving	Reduction in Highways Services	10.0	(100)
Place		New Savings/Income Proposals	Income	Review of Parking Permit Charges	10.0	(150)
Place		New Savings/Income Proposals	Income	Economic Development Team	10.5	(400)
Place		New Savings/Income Proposals	Saving	Facilities Management Review	10.5	(400)
Place		Full Year Effects	Saving	Temporary Accommodation - Future Years	15.0	(1,500)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2021/22 £'000
Resources		Full Year Effects	Saving	Procurement saving resulting from replacing our digital customer platform	0.0	600
Resources		Full Year Effects	Saving	Payments Programme - new system allowing efficiencies in Exchequer	1.5	(60)
Resources		Full Year Effects	Saving	Rationalisation of telephony contracts	2.5	(200)
Resources		Full Year Effects	Income	Digital support to the UK immigration and visa verification service	2.5	(140)
Resources		New Savings/Income Proposals	Saving	Catering Service efficiencies	2.5	(200)
Resources		New Savings/Income Proposals	Saving	Staffing efficiencies within Resources Department	3.5	(650)
Resources		Full Year Effects	Saving	Greater automation to reduce staff resources in administering DWP notifications	5.0	(60)
Resources		Full Year Effects	Saving	Customer Service Centre demand reduction and channel shift	5.0	(100)
Resources		Full Year Effects	Saving	Application Rationalisation - ongoing reduction of other applications	5.0	(200)
Resources		Full Year Effects	Saving	Reducing costs associated with data storage	7.5	(300)
Resources		Full Year Effects	Saving	Online forms and ability to upload information required to go into back-office systems for revenues and benefits	7.5	(120)

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Dedicated Schools Grant	Forecast Variance Q3 (£m)
Early Years Block	0.585
Schools and Central Services Blocks	(0.610)
High Needs Block The main pressures are within the High Needs Block and relate to the development of additional in borough provision, an increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools and the development of early intervention strategies.	5.248
DSG Total	5.223

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Appendix L

Reserves	Balances Reported in Outturn Report £m	Provisional Outturn 31 March 2021 £m	Forecast Transfers 2021/22 £m	Forecast Balance 31 March 2022 £m
General Fund				
Risk Reserve	(20.527)	(21.006)	(1.617)	(22.623)
Covid-19 Reserve 2020/21	0.000	(0.433)	0.433	0.000
Covid-19 Reserve 2021/22+	(10.000)	(10.000)	0.000	(10.000)
Balance Sheet Management	(2.000)	(3.040)	0.000	(3.040)
Collection Fund Equalisation EM reserve	(10.542)	(24.396)	5.819	(18.577)
Housing Benefit Smoothing Reserve	(9.566)	(9.566)	4.290	(5.276)
Adult Social Care Smoothing Reserve	(3.697)	(3.697)	1.400	(2.297)
North London Waste Authority Reserve	(1.349)	(1.349)	0.000	(1.349)
Medium Term Financial Planning Smoothing Reserves	(37.154)	(52.481)	11.942	(40.539)
MRP Equalisation	(17.138)	(18.765)	0.121	(18.644)
Interest Rate Fluctuations	(4.663)	(4.663)	0.000	(4.663)
Capital Financing Reserves	(21.801)	(23.428)	0.121	(23.307)
Service Specific Reserves	(11.161)	(11.161)	(3.903)	(14.857)
Property	(2.101)	(2.101)	0.590	(1.511)
S31 Relief Grant	\$(16.554)	0.000	0.000	0.000
Covid-19 Grant	(4.288)	(4.288)	3.982	(0.306)
Other Grant Reserves	(10.842)	(10.954)	1.722	(7.705)
Grants & Other Contributions	(15.130)	(15.242)	5.704	(8.011)

General Fund Usable Reserves Sub Total	(124.429)	(125.419)	12.837	(110.848)
Insurance	(7.021)	(7.022)	0.000	(7.022)
General Fund Balance	(13.950)	(13.950)	0.000	(13.950)
Total General Fund Reserves and Balances	(145.400)	(146.390)	12.837	(131.819)
HRA				
HRA Repairs Fund	(6.174)	(10.064)	(0.111)	(10.175)
HRA Insurance	(0.323)	(0.323)	0.000	(0.323)
Total HRA Reserves	(6.497)	(15.368)	(11.607)	(26.974)
HRA Balance	(4.623)	(9.943)	(0.235)	(10.178)
Total HRA Reserves and Balances	(11.120)	(25.311)	(11.842)	(37.152)
Schools				
Schools' Balance	0.241	0.242	0.000	0.242
Dedicated Schools' Grant	^8.069	0.000	0.000	0.000
Total Schools' Reserves and Balances	8.310	0.242	0.000	0.242
Total Reserves and Balances	(156.54)	(171.459)	20.121	(168.730)

The S31 reliefs were shown as a separate item in the Outturn report. The balance is in the Collection Fund equalisation Reserve balance for the final outturn.

^ The dedicated Schools Grant deficit balance is no longer reported in the Earmarked reserves and as per accounting regulations is shown as an unusable balance in the Council Statement of Accounts.

[Return to Reserves Narrative](#)

MHCLG Category	Expenditure Breakdown	£m's
Support for vulnerable groups and targeted community interventions	Continuation of housing and support to protect rough sleepers from Covid-19	1.700
	Corporate: Support for vulnerable groups and targeted community interventions	0.220
	Housing: Emergency bed spaces for rough sleepers	0.961
	Public Health: Outreach support for rough sleepers, people living in encampments, Gypsy Roma and Traveller community.	0.075
Testing	Public Health: Surge Testing	0.723
	Public Health: Testing	1.350
Vaccine deployment	Public Health: Vaccination deployment	0.700
	Public Health: Vaccination Bus	0.300
	Vaccination Centre	0.003
Compliance and Enforcement: COVID-19 Secure Marshals or equivalents (including overtime)	Env & Ops: Covid-19 Marshalls	0.487
Compliance and Enforcement: Environmental Health Officers (EHOs) (including overtime)	Env & Ops: EHOs for outbreak control and implicated premises	0.063
Compliance and Enforcement: other activities and staff	CEX: Communications & Marketing	0.120
	CEX: Communications Officer	0.046
	Env & Ops: Covid-19 compliance officers	0.055
	Env & Ops: Locally Supported contact tracing	0.264
Other	C&F: Increased in Short Breaks (JSDC)	0.100
	C&F: Our voice parent forum (JSDC)	0.010
	C&F: Outside safe areas to increase contact facilities	0.068
	C&F: Play equipment (JSDC)	0.025
	COMF Other	0.130
Other: Prevention, management of local outbreaks and data intelligence, surveillance and communications.	ASC: Outside Safe areas	0.200
	C&F: Covid-19 Reward Payments (JSDC)	0.003
	COMF: Prevention etc	0.021
	PPE Waste, Street Scene and Parks, PTS Services additional costs due to Covid-19.	0.019
Total		7.874