

London Borough of Enfield

Cabinet

6th July 2022

Subject: Revenue Outturn: General Fund and Dedicated Schools Grant 2021/22

Cabinet Member: Cllr. Tim Leaver, Cabinet Member for Finance & Procurement

Executive Director: Fay Hammond, Executive Director Resources

Key Decision: 5465

Purpose of Report

1. The report explains how the Council's actual expenditure compares to the original budgeted position for 2021/22, this is called the "outturn". Financial resilience is a key priority for Enfield and this report 2021/22, the report demonstrates that, in the context of Covid-19 pandemic, the Council has maintained progress on the journey of establishing a robust and resilient financial position.

Executive Summary

2. The General Fund revenue outturn position was a £2.504m favourable variance. In addition, the £3m corporate contingency was not required nor was the planned £1.927m use of reserves. This has meant that £5.504m will be added to the Council's reserves and strengthen the Council's financial position going into 2022/23.
3. The Covid-19 impact is reported separately and totalled £42.356m and has been funded by Government grants. The impact of Covid-19 is anticipated to continue into 2022/23 and beyond. Therefore, the Covid-19 reserve has been strengthened by increasing the total to £15m to provide further resilience into 2023/24.
4. The key areas of pressure continue to be felt in the Council's demand driven services such as:
 - i. Adult Social Care, specifically Older People and people with physical disabilities services,
 - ii. Special Education Needs transport,
 - iii. Homelessness services, specifically the provision of Temporary Accommodation.

5. The outturn reflects an improved position on that reported at the quarter 3 report with the key changes being due to reaching an agreement on the outstanding Section 117 debt with the NHS which has led to the release of a £0.5m provision back into the Adult Social Care budget and Children's and Families, delays in recruitment, several successful applications for external grant funding, continuous revision of requirement for the support hours, and young people moving to their own accommodation or more cost-effective placements have all lead to positive movement in the outturn position.
6. Despite the favourable position there remain amber and red rated savings i.e. not achieved or fully achieved in 2021/22. Where these were identified in previous quarterly reports and no longer considered achievable they have been addressed in the Medium Financial Plan. Where there have been delays or work continues to achieve them, they will be monitored as part of the 2022/23 budget and reported in the quarterly reports.
7. Other than the Collection Fund reserve, the Council's earmarked reserves have been strengthened.
8. The Dedicated Schools Grant outturn position is a £4.6m overspend. This will increase the accumulated deficit carried forward to £12.6m.
9. 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.
10. 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.

Proposals

11. Cabinet is recommended to;
12. Note for 2021/22 financial year the General Fund revenue outturn position of £2.504m underspend, and the Dedicated Schools Grant (DSG) revenue overspend of £4.570m.
13. Note the balanced position and reserves position as at outturn. The £3m contingency is no longer required to achieve the General Fund forecast outturn and the planned drawdown from reserves of £1.927m will no longer be required, and £5.504m will be added to the Council's reserves.
14. Note the Covid-19 impact on the General Fund of £42.356m which is expected to be funded by Government grants.
15. Note the progress made on the journey to setting a robust and resilient budget.

16. 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.
17. 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.
18. Note the emerging financial risks associated with the unprecedented inflationary pressures now facing all Councils for 2022/23.

Reason for Proposals

19. 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 ongoing financial position.

Relevance to the Council's Corporate Plan

20. 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

21. 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.
22. The budget covers the day to day operational expenditure and income of the Council and is funded from a combination of government grants, council tax and business rate income, to a limited extent fees and charges and reserves. Note, that the agreed original budget includes a prudent planned £3m contingency that for unforeseen inflationary and demographic pressures. The financial position is considered quarterly at Cabinet and by the Finance and Scrutiny Panel.
23. For the last two years these reports have separately identified how Covid-19 has impacted on Council costs and reductions in income. During the year £42m of Covid-19 costs and lost fees and charges income were funded by one-off government grants.
24. This report is set out as follows:
 - i. Overview of the general fund year end position
 - ii. A review of the underlying budget pressures on the budget by Directorate (excluding the impact of Covid-19)

- iii. A review of the Covid-19 budget pressures by Directorate
- iv. Summary of the Collection Fund for Council Tax and Business rates
- v. A review of savings and income delivered in 2021/22
- vi. A summary of the Dedicated Schools Grant (DSG) financial position
- vii. Statement of Reserves as at the end of the 2021/22 financial year
- viii. Consideration of the medium term financial implications

Main Considerations for the Council

25. General Fund Outturn

- 26. The General Fund Outturn including the impact of Covid-19, Government support and the Council's response is a favourable variance of £2.504m, compared to the position reported in Quarter 3 of £0.129m (adverse). It should be noted, that as per Quarter 3 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 £5.504m can be added to the Council's reserves.
- 27. The key changes from Quarter 3 are due to reaching an agreement on the outstanding Section 117 debt with the NHS which has led to the release of a £0.5m provision back into the Adult Social Care budget and Children's and Families, delays in recruitment, several successful applications for external grant funding, continuous revision of requirement for the support hours, and young people moving to their own accommodation or more cost-effective placements have all lead to positive movement in the outturn position.
- 28. 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 fully funded from Government grants in 2021/22 but these pressures are expected to continue into 2022/23 and will be addressed through the planned use of the Covid-19 reserve set aside from Council resources. This is set out in Appendix B; the report is set out as follows:
 - i. Paragraphs 40 to 94 provide the underlying outturn position in the General Fund after £1.133m use of flexible capital are applied.
 - ii. Paragraphs 95 to 123 provides an update on the Covid-19 financial impact of £42.356m on the General Fund. 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. A further £1.1m of Covid-19 impact is highlighted in the HRA outturn and is also funded by the Government Grants.
- 29. The budget includes a contingency of £3.0m which was set to manage unforeseen circumstances, however given the latest forecast position this will not be fully required. The 2022/23 budget setting process reflects

many of the 2021/22 budget pressures identified. However, the approach of utilising Pressure Challenge Boards to review the most significant pressure areas identified in 2021/22 will continue in order to provide corporate challenge as well as generating additional options to mitigate future pressures.

30. Each of the departments has generated a list of the key variances which are contributing to the 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.
31. 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 outturn impact of £42.356m will be funded by Government grants.
32. 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 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.
33. The £42.356m 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 95 to 123 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.
34. The risk remains that the Covid-19 pressures persist beyond 2021/22 and continue into 2022/23 and indeed beyond. These are all under continuous review and initially £6.3m has been built in to the Medium Term Plan initially as a one off but potentially as ongoing cost to be funded by a specific £10m Covid-19 reserve set up at the end of 2020/21. However, give the continued pressures and longer term view, a further £5m has been added to the reserve at outturn and these will be reviewed and update provided in the quarter 1 Revenue monitoring report.
35. Whilst there is a cumulative 2021/22 Collection Fund deficit of £17.9m, the majority of this is funded by NNDR relief grant (£12.4m) and Taxation Income Guarantee grant (£1.8m), both held in reserve for this purpose (and both a result of statutory amendments to Collection Fund following Covid-19). The remaining £3.8m will be funded via the Collection Fund Equalisation Reserve.
36. The Dedicated Schools Grant has an outturn deficit position £4.570m which is lower than the £5.223m projected at Q3. With the £8.048m deficit brought forward from 2020/21, the cumulative forecast deficit at year end is

£12.618m and will be the first call on the 2022/23 grant allocation and therefore reduce the funding available for next year's allocation.

37. The report provides an update on the 2021/22 outturn position for the level of reserves.
38. The Council remains in a financially challenging position for 2022/23. Due to the work ensuring financial resilience and sustainability the underlying budget is in more robust and risk reserves have increased. However, there is continuing significant risk and uncertainty due to the legacy impact of the Covid-19 pandemic and the more recent unprecedented inflationary economic context. The Covid-19 financial implications are 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. However, in addition to the ongoing impact of the pandemic, new challenges have emerged since the quarter 3 report, namely the cost of living crisis and the rapidly increasing inflation that the economy is experiencing. These will bear further pressure on the Council's finance. The quarter 1 revenue forecast is expected to reflect these pressures and the Medium Term Financial Plan will also need to be updated to reflect the impact in 2023/24 and beyond.
39. 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](#).
40. The year end budget position is set out in Table 1 below. It provides a comparison between the latest budget and the actual position. This is the total forecast position for the Council, including the effects of Covid-19. Table 2 sets out the Covid-19 associated pressures the Council is experiencing by department.

41. Table 1: General Fund Departmental Outturn Variances 2021/22

Department	Net Budget	Total Net Outturn Variance (exc. Covid-19 impact)	Flexible use of Capital Receipts	Covid-19 Total Impact (see Table 2)	Total Net Variance incl. Covid-19	Covid-19 Funding / Collection Fund	Net Variance excl. Covid-19
Chief Exec	9.895	(0.079)	(0.061)	1.025	0.885	(1.025)	(0.140)
Adult Social Care and Public Health	79.062	1.038	0.000	10.815	11.853	(10.815)	1.038
Children & Families	44.469	(0.956)	(0.189)	3.691	2.546	(3.691)	(1.145)
Education	4.775	(0.293)	(0.057)	0.360	0.010	(0.360)	(0.350)
Place	32.413	(2.405)	0.000	16.969	14.564	(16.969)	(2.405)
Resources	31.770	1.815	(0.826)	9.420	10.409	(9.420)	0.989
Service Net Costs	202.384	(0.880)	(1.133)	42.280	40.267	(42.280)	(2.013)
Corporate Expenses	40.926	(1.194)	0.000	0.076	(1.118)	(0.076)	(1.194)
Minimum Revenue Provision	16.488	0.703	0.000	0.000	0.703	0.000	0.703
Bad Debt Provisions	0.791	0.000	0.000	0.000	0.000	0.000	0.000
Net Expenditure	260.589	(1.371)	(1.133)	42.356	39.852	(42.356)	(2.504)
Expenditure financed by:							
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 Corporate Financing	(3.000)	(1.371)	(1.133)	42.356	39.852	(42.356)	(2.504)
Contingency	3.000	(3.000)	0.000	0.000	(3.000)	0.000	(3.000)
Risk Reserve	0.000	4.889	0.000	0.000	4.889	0.000	5.504

Fin¹al Outturn Position	0.000	0.518	(1.133)	42.356	41.741	(42.356)	0.000
---	--------------	--------------	----------------	---------------	---------------	-----------------	--------------

¹ Numbers shown in brackets in Tables 1 and 2 () are income or favourable variances.

Table 2: Summary of Covid-19 Impact by Department Outturn 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	9.895	1.025	0.000	0.000	1.025
Adult Social Care and Public Health	79.062	10.815	0.00	0.00	10.815
Children & Families	44.469	3.691	0.000	0.000	3.691
Education	4.775	0.360	0.000	0.000	0.360
Place	32.413	9.747	4.219	3.003	16.969
Resources	31.770	8.542	0.878	0.000	9.420
Service Net Costs	202.384	34.180	5.097	3.003	42.280
Corporate Expenses	57.414	0.076	0.000	0.000	0.076
Minimum Revenue Provision	40.926	0.000	0.000	0.000	0.000
Bad Debt Provisions	16.488	0.000	0.000	0.000	0.000
Contingency	0.791	0.000	0.000	0.000	0.000
Net Expenditure	263.589	34.256	5.097	3.003	42.356
Expenditure financed by:					0.000
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	34.256	5.097	3.003	42.356

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

42. 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.
43. 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 Dedicated Schools Grant (ring-fenced grant to support schools and education related spend)
 - The financial management key performance indicators set out in [Appendix A](#).
44. **Departmental Monitoring Information – Budget Pressures and Mitigating Actions (net variance, excluding Covid-19)**
45. **Chief Executive’s** ([Appendix C](#))
46. The Chief Executive’s department is reporting a favourable of variance of £0.140m compared to the overspend of £0.093m as at quarter 3, against a budget of £9.895m.
47. **Use of Capital Receipts:**
48. The flexible use of capital receipts forecast has been applied to the 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.
49. Further details of the Chief Executive department’s outturn variations are provided in [Appendix C](#).
50. **People** ([Appendix D](#))
51. The department’s forecast outturn is a £0.5m favourable variance against the budget of £128.3m. This is a £1.7m improvement on the quarter 3 forecasts. The main variations are as follows:
52. **Adult Social Care (ASC)**
53. The Adult Social Care service outturn is an adverse variance of £1.038m, a reduction of £0.6m from Q3 forecasts.
54. This variation reflects the increase in demand in community based and Residential services for Older People, offset by an underspend against in-house Learning Disability Services as a result of delays in recruitment and service users returning to day services following the covid pandemic and a reduction in Mental Health placement costs.

55. In addition, agreement has been reached with the NHS over outstanding debt of Section 117 income which has allowed the release of a £0.5m provision held in the accounts back to revenue.

56. **Public Health**

57. The Public Health grant in 2021/22 is £17.53m, this reflects an increase in the 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.

58. The outturn position for Public Health is an underspend against in-year budget of £1.102m due to reductions in spend against demand led services and application of Covid grant funding for infection control and pandemic data analytics due to Covid. The Public Health Reserve Balance at 31st March 2022 is £2.047m which will now be required to mitigate pressures facing the service in future years, particularly the impact of increases in demand led sexual health services post pandemic.

Education, Children and Families Services

59. There are only a limited number of services in Education which are funded from the Council's General Fund which has a net budget of £4.775m.

60. The cost of former employees on enhanced pension has a £0.251m favourable outturn variance and supports its inclusion as a saving for the 2022/23 MTFP. In year exit costs resulting from restructures have been fully funded by reserves so the pressure forecast at Q3 has now been ameliorated and school improvement services have now achieved a small surplus of £0.003m. The Education Psychology Service has achieved a £0.079m underspend which has resulted from removal of DSG recharges, vacancies due to recruitment issues and general minor underspends across the service. Other minor variances across the service total an underspend of £0.017m which contributes to the overall underspend for Education £0.350m.

61. Children and Families outturn position is a £1.145m underspend, with a significant favourable movement of £0.836m from Quarter 3. In addition, there was a Covid-19 cost pressure of £3.691m across the services, mainly within Children in Need and Looked After Children budgets, which was fully balanced with the application of the Covid-19 government grant.

62. The variance to Quarter 3 is due to delays in recruitment creating underspend, several successful applications for external grant funding, continuous revision of requirement for the support hours, and young people moving to their own accommodation or more cost-effective placements.

63. The Children in Need services outturn position is a £0.446m favourable variance. This is predominantly due to underspend of £0.194m 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. This resulted in an underspend of £0.203m. 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.

64. The Looked After Children service is £0.912m underspent. The largest favourable variance is a £0.496m underspend in Former Unaccompanied Asylum-seeking Children due to maximising benefits for care leavers and young people moving to their own accommodation. The impact of Court delays in granting Special Guardianship Orders created a favourable movement of £0.200m. Adoption has a favourable variance of £0.126m due to an underspend in allowances, external childcare placements budget is underspent by £0.242m due to Covid-19 pressures being funded by the government grant. Leaving Care is £0.153m underspent due to young people moving to their own housing and fully utilising the emergency support fund. In-house Fostering outturn position is £0.102m under the budget due to underspend in allowances. However, a cost of three complex care packages created a £0.512m pressure on the support cost budget.
65. The £0.393m 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.
66. The favourable variance of £0.186m in Young People & Community Safety is due to an underspend of £0.131m in Community Safety, resulting from vacancies and a successful external funding application that reduced spend on projects from general fund.
67. The edge of care service has been very successful in working with young people who are facing family breakdowns by preventing 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.
68. **Use of Capital Receipts:**
69. The planned use of capital receipts included £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.
70. **Place** ([Appendix E](#))
71. The Place department is reporting a forecasted favourable variance of £2.405m against a net budget of £32.412m. However, the notable pressures that were reported in the quarterly updates notably in Homelessness (£1.3m) and Passenger Transport (£0.628m) 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 and both areas have seen 2022/23 requirements reflected in the MTFP.
72. 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 pressure has further reduced as at

outturn and is now £0.155m favourable, compared to the £0.100m adverse variance in quarter 3. This has been achieved through underspends in the Dugdale budget and Forty Hall income.

73. The Homelessness Service continues to manage challenging demand pressures and the underlying outturn variation to budget is £1.281m adverse. This is due to the number of tenants in Emergency Accommodation (EA) throughout 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 and by the end of March 2022 there were 3,144 tenants (244 more than planned). Though it should be noted that this is now less than there was pre-pandemic.
74. The variance in Parking Enforcement is forecast to be £2.764m, 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.
75. Meanwhile use income from Meridian Water was a £1.154m favourable variance. Additional meanwhile use income. The underlying variance is £1.154m, however of this £0.483m has been transferred to reserves to address a one off pressure in 2022/23, leaving a net favourable variance of £0.671m.
76. Development managements outturn was a £0.535m adverse variance which was predominantly because of a shortfall in the Pre-Planning Applications (PPA) and other services income.
77. 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](#).
78. **Use of Capital Receipts:**
79. The planned use of capital receipts included £0.180m to establish Millfield House and theatre as an independent cultural venue which did not proceed in 2021/22. Two invest to save initiatives were included, with a new Commercial manager being created in Planning but now starting in 2022/23 and a scheme to improve the recycling rates from flats. The later project has required additional preparation and consultation which has mean it will now be implemented in 2022/23.
80. Further details are provided in [Appendix E](#).
81. **Resources (Appendix F)**
82. The Resources Department is reporting a net variance of £0.989m after the application of capital receipts against a net budget of £31.770m. This represents a slightly improved position on the £0.927m forecast at quarter 3.
83. 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.

84. An overspend of £1.3m is reported which is predominantly due to the need for additional security related expenditure on applications, compliancy and testing and dual running costs of the CRM/CMS system until the existing system is decommissioned at the end of the financial year.
85. Exchequer Services are reporting a favourable variance of £0.4m 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 creating a one off benefit for 2021/22.
86. The Financial Assessment service which was previously reporting a net nil variance in quarter 3 has achieved a saving of £0.1m having identified additional grant income attributable to the service.
87. The Customer Operations team have delivered a positive £0.2m variance as a result of vacancies in the Customer Service team.
88. 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 £0.2m adverse variance.
89. **Use of Capital Receipts:**
90. 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.
91. Further details of Resources outturn variations are provided in [Appendix F](#).
92. **Corporate (to be finalised)**
93. As reported in previous quarterly reports the £3m corporate contingency is not required to balance any service adverse variances.
94. The Concessionary fares expenditure was £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.
95. The Minimum Revenue Provision is £0.7m more than budgeted for, reflecting the increased provision to repay debt incurred in respect of capital expenditure financed by borrowing or other long term credit arrangements.

Covid-19 Impact ([Appendix G](#))

96. **Chief Executive's: net budget is £9.9m; the total additional costs of £1.0m (10%)**
97. 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 by elections held in 2021/22. Though it should be noted that this was covered by the Local Elections grant.

98. **People: Adult Social Care (ASC) and Public Health – net budget is £79.1m; the total additional costs of £10.8m (Gross i.e. includes NHS Hospital discharge costs), £9.0m (Net) 11%**
99. 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.
100. Additional costs of £0.4m are resulted 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.
101. Outside safe areas in care facilities were created at a cost of £0.2m, funded from the Contain Outbreak Management Fund grant.
102. The NHS Hospital discharge programme has been extended and cost a further £1.8m though this is recovered from the additional Government funding that has been allocated to the NHS.
103. 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 £9.041m which have been passported on to care providers in line with the grant conditions.
104. **People: Education – net budget is £4.8m; the total additional costs are £0.360m (7.8%)**
105. These costs include additional support staff resources 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 has taken place in four of the borough's secondary schools, costing circa £48k and additional teaching assistants in primary schools have been employed at a cost of £0.300m.
106. **People: Children & Families – net budget is £44.5m; the total additional costs of £3.691 (8.3%)**
107. The most significant cost relates to £2.354m pressure in care placements, due to increase in number of court proceedings, block booking of care 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 £0.945m for addition staff predominantly source via agencies, a further £0.115m 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 funded from the Contain Outbreak Management Fund and included increase in short breaks, outside safe areas to increase contact facilities, and PPE.

108. **Place – net budget is £32.4m; the total additional costs of £16.970m gross (52%) – includes income losses due to Covid-19**
109. Strategic Property Services costs include a £0.176m loss of income due to Covid-19 from areas such as staff car parking fees and filming income.
110. £1.053m of expenditure will be funded by the Welcome Back Grant/Reopening the High Street Safely grant and the Additional Restrictions Grant.
111. Temporary additional resources of £0.093m have been required in the Planning service to implement workload recovery and backlog management plan in response to the pandemic.
112. Loss of income of £3.634m 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).
113. 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 loss of £2.496m.
114. Operational services such as Fleet, Waste Operations, Street Scene, Parks Operations, have all incurred additional expenditure during the pandemic at a cost of £2.266m.
115. The SEN Transport service incurred additional cost in adjusting routes and passenger usage to enable social distancing and prevent the spread of Covid-19 to vulnerable people.
116. The total cost for Community Mass Testing Programme & Mobile Testing Units, Covid Marshals and Locally Supported contact tracing and Mortuary is circa £3.008m.
117. The Covid-19 related cost in the Housing is £3m, as the service continues the housing and support to protect rough sleepers and impacting on the services ability to deliver the savings programme.
118. **Resources: net budget is £31.8m; the total estimated additional costs of £9.517m (29%)**
119. The most significant impact identified in Resources services relate to additional IT requirements of £0.324m, £0.547m additional demand in the Financial Assessments Team and £0.672m in Income Collection. Additional expenditure was incurred to meet the demand in Customer operations which is being funded from the Contain Outbreak Management Fund/Clinically extremely vulnerable.
120. The increase in the number of discretionary housing payments resulting from Covid-19 was £0.414m.
121. There is a loss of income across services in the department of £0.878m with the most significant being in school catering which continues from last year though not at the same extent.
122. The outturn also includes expenditure of £4.432m funded via the Winter Grant/Local Support/ Household Support scheme, self-isolation payments of £0.962m which are also funded from a specific government grant and £0.998m for the Practical Support for those self-isolating.

123. **Corporate**

124. 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, it is proposed that this is earmarked for future Covid-19 pressures and transferred to the Covid-19 reserve.

125. **Collection Fund**

126. The Collection Fund deficit, which has been driven by Covid-19 is forecast to be offset by the use of the Collection Fund Equalisation Reserve, as the ongoing pressure is spread over 3 years (in line with statutory requirements). The majority of the impact will be funded by the Taxation Income Guarantee and the COVID Relief Grants provided by Central Government, as outlined in paragraph 35.

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

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

129. 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. The Government has continued to extend this flexibility and provide specific guidance covering purpose and transparency in the use of this.

130. 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. As set out in earmarked reserves below, it should be noted that the “Invest to Save” transformation reserve remains for future projects.

131. 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.

132. 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 outturn is £1.133m as described in [Appendix H.](#)

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

134. 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

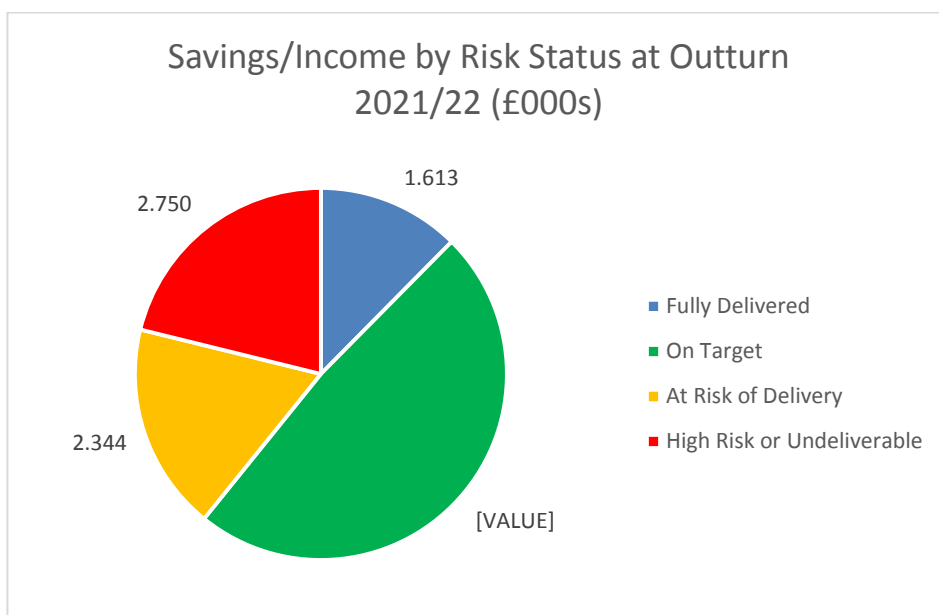
135. The savings include those that are new for 2021/22 plus the full year effect of previous decisions.

136. Of the £13m departmental savings, £7.9m was fully delivered at this stage.

137. However, £2.3m 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. The actions taken to address the amber and red risk savings are set out below:

- Those identified at the time of the Budget Report 2022/23 and where agreed they are no longer achievable have been addressed through the MTFP e.g. Temporary accommodation.
- Some have been partly achieved and then addressed through the MTFP e.g. Economic Development
- Where there have been delays the savings will delivered in 2022/23 e.g. Highways services.
- Those remaining will continue to be regularly reviewed and reported through the quarterly revenue reports.

138. Chart 2: Savings/Income Risk Status 2021/22



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

140. **Dedicated Schools Grant (DSG) (Appendix K)**

141. For 2021/22 Enfield received a final, gross Dedicated Schools Grant allocation of £370.882m (as at March 2022) and the funding is allocated across four blocks; £283.399m for the Schools Block, £2.537m for the Central Schools Services Block, £24,483m for the Early Years Block and £60.463m for the High Needs Block.

142. 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 £8.048m which was bought forward to 2021/22.
143. 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.
144. At outturn, there is an in year overspend of £4.570m which is lower than the £5.223m projected at Q3. The cumulative deficit is £12.618m. 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.
145. 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.
146. **Earmarked Reserves ([Appendix L](#)) - section to be updated**
147. 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 outturn position for 2021/22:

	2020/21 Outturn Balance £m	2021/22 Outturn Balance £m
Risk Reserve	(21.006)	(22.106)
Covid-19 Risk Reserve 2021/22	(10.000)	(15.000)
Balance Sheet Management	(3.040)	(3.040)
Collection Fund Equalisation Reserve	(24.396)	(20.596)
Housing Benefit Smoothing Reserve	(9.566)	(4.480)
Adult Social Care Smoothing Reserve	(3.697)	(3.687)
NLWA Reserve	(1.349)	(0.628)
MTFP Smoothing Reserves	(52.481)	(47.441)
Capital Financing	(23.428)	(23.428)
Service Specific	(11.161)	(15.108)
Property	(2.101)	(1.372)
Grants & Other Contributions	(15.242)	(12.662)

Sub-total GF Usable Reserves	(125.419)	(122.117)
Insurance	(7.022)	(7.022)
General Fund Balance	(13.950)	(13.950)
GF Earmarked Reserves	(146.390)	(143.088)
HRA Earmarked Reserves	(25.311)	(8.878)
Schools	0.242	0.387
Total Reserves & Balances	(171.281)	(151.579)

148. It is important to recognise that the reserves overall are limited, especially against a backdrop of challenging savings targets, the ongoing impact of the pandemic and new inflationary pressures emerging in the last few months. 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.

149. The Risk reserve had significantly reduced over the past few years but the final outturn has meant that the Council has been able to further strengthen the risk reserve at the end of 2021/22. The balance is to be £22.1m at year end, reflecting that the favourable outturn and no longer needing to draw down on reserves to balance the budget. The risk reserve will include the inflationary risks that cannot be contained in 2022/23.

150. Given the ongoing financial uncertainty created by the pandemic a specific Covid-19 reserve was created and whilst this has not been required in 2021/22 it is anticipated that balance will be required in 2022/23 and beyond. The budget report for 2022/23 set out circa £7m that will be required in 2022/23, therefore it is considered prudent to further bolster the reserve to provide resilience for 2023/24 and beyond by increasing the reserve to £15m.

151. The General Fund Balances remain at £13.950m (on a net budget of £263m, i.e., 5.3%; and borrowing of £1,028.8m). 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 2022/23 considering the new inflationary risks and uncertainty brought about by Covid-19.

152. The £47m Smoothing Reserves relate to Council Tax (£133m) /Business Rates (£94m), Housing Benefits (£260m claim per year), Adult Social Care and the North London Waste Authority levy and provide resilience in the budget to manage annual fluctuations.

153. The £23.4m of Capital and Minimum Revenue Provision reserves are committed for the next five years to smooth any increased budget requirement.

154. **Medium Term Financial Impact**

155. The Council remains in a financially challenged position. There is ongoing significant risk and uncertainty due to the legacy impact of the Covid-19 pandemic, unprecedented new inflationary pressures, cost of living crisis and demographic pressures exceeding government grant levels. These

are set out in more detail below and will need to be considered as part of the medium term financial plan in the Autumn.

- The ongoing anticipated impact of Covid-19 on Council Tax and Business Rate debt;
 - 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.
 - Despite seeing an improving position in some service, uncertainty remains on the ongoing impact of Covid-19 and cost of living on Council fees and charges income.
 - Changes in working patterns and lifestyle impacting on car park income, waste services.
156. 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 government funding for the legacy costs and lost income arising due to Covid-19 exacerbates this position. In this context, the action taken in 2020/21 and 2021/22 resulting strengthened reserves will ensure Enfield is better placed to face these challenges.
157. New financial challenges will face the Council in 2022/23 such as the cost of living crisis and the rapidly increasing inflationary pressures. These will impact of the Council's contract costs and services are already experiencing increase in costs of fuel and energy prices. Should the agreed pay award exceed 2%, this will result in additional ongoing cost pressure. The current estimates indicate that these cost pressures will exceed the £3m contingency held in the budget for unforeseen inflationary and demographic pressures and that additional in year action will be required to address this.
158. Full details of the of the 2022/23 budget and MTFP 2022/23 to 2026/27 can be found in the Budget Report 2022/23 and Medium-Term Financial Plan 2022/23 to 2026/27 report (KD5352) which went to Cabinet on the 24th February 2022.
159. **Safeguarding Implications**
160. 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.
161. **Public Health Implications**
162. 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.

163. 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.
164. **Equalities Impact of the Proposal**
165. 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.
166. Financial reporting and planning are important in ensuring resources are used to deliver equitable services to all members of the community.
167. **Environmental and Climate Change Considerations**
168. None in the context of this report.
169. **Risks that may arise if the proposed decision and related work is not taken**
170. None in the context of this report.
171. **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**
172. The budget risks identified in 2021/22 will continue to be monitored through 2022/23 through Pressure Challenge Boards. Detailed revenue monitoring reports will be provided regularly to Cabinet. Departments will take action to minimise budget pressures and align departmental spend to budgets.
173. **Financial Implications**
174. Financial implications are implicit in the body of the report.
Legal Implications
175. 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.
176. **Workforce Implications**
177. None in the context of this report.
178. **Property Implications**
179. None in the context of this report.
180. **Other Implications**
181. None in the context of this report.

182. Options Considered

183. Not relevant in the context of this report.

184. Conclusions

185. Despite the year end positive financial position at the end of 2021/22, the Council has not lost sight of the fact that it continues to face its most significant financial challenges. The work undertaken in previous years to create a robust and sustainable budget has placed the Council in a stronger position to meet this challenge.

186. The Covid-19 impact continues to be monitored and in 2021/22 Government funding was sufficient to meet the Covid-19 impact. 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.

187. In addition to the continuing challenge of the pandemic, new challenges have emerged since the quarter 3 report, namely the cost of living crisis with increasing inflationary pressures impacting our residents and the services the Council provides. Though contained in 2021/22 because the impact was only seen towards the end of the year, the increasing pressure anticipated in 2022/23 is significant and will increase the pressure already felt on the Council tight resources.

Report Author: James Newman
Director of Finance
James.newman@enfield.gov.uk
Date of report: 15th June 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
- Revenue Monitoring 2021/22: Quarter 3 (December 2021) – KD5351

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 outturn is a £2.504m favourable variance before the utilisation of the £3m contingency.
Progress to Achieving Savings MTFP (current year)		Savings monitoring has identified a total of £2.750m considered a high risk rated/ undeliverable and a further £2.344m that are at risk of delivery. These are reflected in the reported outturn position.
Income & Expenditure Position – DSG		The DSG outturn is a £4.6m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £12.6m 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**Financial Position as at Outturn**

	£m	£m
Covid-19 impact (2021/22)	42.356	
Covid-19 impact (2022/23)*	0.709	
Covid-19 HRA Impact (2021/22)	1.051	
		44.116
Funding		
Covid-19 Support Grant 2021/22	10.534	
Covid-19 Support Grant c/f 2020/21	4.288	
Sales, Fees & Charges support (estimate)	1.528	
Contain Outbreak Management 2021/22	2.718	
Contain Outbreak Management c/f 2020/21	3.96	
Test, Track & Trace c/f 2020/21	1.195	
Community Testing Programme	1.837	
ARG	1.111	
Infection Control & Rapid Testing Tranche 1, 2 and 3	4.726	
ASC Workforce Recruitment and Retention – Round 1&2	2.503	
NHS Hospital Discharge funding	1.813	
Community Vaccines	0.004	
Local Elections Grant	0.104	
Self-Isolation Payment admin	0.963	
Winter Grant scheme/Local Support Grant/Household Support Grant	4.379	
Protect & Vaccinate	0.175	
Omicron Business Support	1.226	
New Burdens	0.054	
Practical Support Grant	0.998	
Total Funding		44.116
Gap After Funding		0.000

Appendix C

Chief Executive	Net Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance Q4
	(£m)	(£m)	(£m)	(£m)
<p>Strategy, Partnership, Engagement and Consultation</p> <p>The gross variance relates to an 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.</p>	1.642	(0.205)	(0.020)	(0.225)
<p>Communications</p> <p>The gross variance relates to an Invest to Save project to be funded via the flexible use of capital receipts and part year reduction in costs relating to maternity leave.</p>	0.601	(0.051)	(0.041)	(0.092)
<p>Electoral Services</p> <p>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 3 is due to costs associated with annual canvassing and household notification letters.</p>	1.239	0.624	0.000	0.624
<p>Human Resources & Organisational Development</p> <p>HR staff savings have been achieved due to having vacant posts and early retirement costs being funded corporately. There were further favourable variances from reduced OD expenditure due to the inability to deliver to the originally planned training schedule due to the pandemic.</p>	2.065	(0.221)	0.000	(0.221)
<p>Registrars</p> <p>The variance is due to an increase in income levels due to the backlog in providing services during the pandemic and savings from the effective</p>	(0.172)	(0.120)	0.000	(0.120)

use of resources.				
Other variances	4.520	(0.106)	0.000	(0.106)
Chief Executive Total	9.895	(0.079)	(0.061)	(0.140)

[Return to Chief Executive Narrative](#)

Appendix D

People	Net Budget (£m)	Gross Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Variance Q4 (£m)
Adult Social Care				
<p>Strategy & Resources</p> <p>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 have been increased safeguarding costs in year but this have been contained within the over S&R Budget.</p> <p>The successful agreement with the NHS on Section 117 debt has meant a provision of £0.536m has been released back to revenue.</p>	7.189	(0.003)	0.000	(0.519)
<p>Mental Health</p> <p>The outturn position is a small overspend due to a reduction in care purchasing offset by provision for additional health recharges in respect of jointly funded care packages.</p>	6.409	0.026	0.000	0.026
<p>Learning Disabilities</p> <p>The outturn position reflects a reduction against Q3 forecasts due to additional backdated CHC funding agreed in March 2022 and savings against in-house day services as a result of delays in recruitment and clients returning to services following Covid.</p>	27.975	(0.360)	0.000	(0.360)

Older People and Physical Disabilities (the Customer Pathway)	42.045	1.892	0.000	1.892
This service includes the in house residential and nursing home. There has been an increase in demand across the service during the year, particularly within community-based services, following a lower number of clients last year due to Covid-19. The outturn position is a higher than anticipated overspend due to increased residential and nursing placements in the final quarter of the financial year.				
Other Minor variances	0.000	0.000	0.000	0.000
Adult Social Care Sub Total	83.618	1.555	(0.000)	1.575
Public Health Grant				
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. The outturn position for Public Health is an underspend against in-year budget of £1.102m due to reductions in spend against demand led services due to Covid. The Public Health Reserve Balance at 31 st March 2022 is £2.047m which will now be required to mitigate pressures facing the service in future years, particularly the impact of increases in demand led sexual health services post pandemic.	(4.556)	0.000	0.000	0.000
Public Health Sub Total	(4.556)	0.000	0.000	0.000
Adult Social Care & Public Health	79.062	1.646	(0.000)	1.646

Education				
Enhanced Pension costs These are the cost of former employees on enhanced pension and outturn variance is £0.230m favourable.	2.018	(0.251)	0.000	(0.251)
Exit costs from restructure in Education services Early Retirement Costs were funded centrally which enabled school improvement services to achieve a balanced outturn position	0.347	(0.003)	(0.000)	(0.003)
Education Psychology Service The favourable variance was due to difficulties in recruiting to vacant posts and other minor variances across the service.	0.550	(0.079)	0.000	(0.079)
Other variances Miscellaneous minor over and underspends	1.860	0.040	(0.057)	(0.017)
Education Sub Total	4.775	(0.293)	(0.057)	(0.350)
Children and Families				
Children In Need This is predominantly because of £0.194m underspend in Section 17 budget and £0.203m underspend in the Child Protection and Vulnerable Children team due to Covid-19 pressures in recruitment leading to agency staff covering vacant posts, funded by the Covid-19 grant.	9.319	(0.446)	0.000	(0.446)

<p>Looked After Children</p> <p>The largest favourable variance is a £0.496m underspend in Former Unaccompanied Asylum-seeking Children due to maximising benefits for care leavers and young people moving to their own accommodation. The impact of Court delays in granting Special Guardianship Orders created a favourable movement of £0.200m. Adoption allowances underspent by £0.126m, external childcare placements budget is underspent by £0.242m, and Leaving Care is £0.153m underspent. In-house Fostering outturn position is £0.102m under the budget. However, a cost of three complex care packages created a £0.512m pressure on the support cost budget.</p>	25.430	(0.877)	(0.037)	(0.912)
<p>Young People & Community Safety</p> <p>The favourable variance of £0.186m is due to an underspend of £0.131m in Community Safety, resulting from vacancies and a successful external funding application that reduced spend on projects from general fund.</p>	3.668	(0.052)	(0.132)	(0.186)
<p>Joint Service for Disabled Children</p> <p>The overspend is predominantly due to an increased demand in overnight breaks, commissioning and increase in Direct Payments rate.</p>	3.185	0.413	(0.020)	0.393
<p>Other Variances</p> <p>Although the cost of translations created a pressure of £0.088m, this is mitigated by a favourable variance in the Centre of Excellence and Legal Disbursements budget, creating a favourable outturn variance of £0.026m.</p>	3.067	(0.026)	0.000	(0.026)
<p>Children and Families Services Sub Total</p>	44.669	(0.988)	(0.189)	(1.177)

[Return to People Narrative](#)

Appendix E

Place	Net Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance Q4
	(£m)	(£m)	(£m)	(£m)
Development Management Shortfall of £0.535m 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.	(0.168)	0.659	(0.000)	0.659
Strategic Planning & Design The £0.084m adverse variance is due the loss of income from S106 and Planning Feasibility Studies.	1.166	0.084	0.000	0.084
Culture Services £0.155m favourable variance is as a result of the net impact of: cost pressures resulting from the reopening of Millfield Theatre, which has been mitigated through additional rental income from the Dugdale vaccination centre and Forty Hall income.	0.732	(0.155)	0.000	(0.155)
Economic Development £0.091m forecasted overspend, due to salary overspend which is partly offset through grant funding.	0.213	0.091	0.000	0.091
Highways The £0.104m variance is due a saving proposal still to be delivered, along with essential safety works undertaken and trees storm damage.	1.300	0.104	0.000	0.104

Place	Net Budget (£m)	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q4 (£m)
Street Lighting £0.585m favourable variance, this is a result of an accrued saving from April 2019 to June 2021, and other operational under spends.	2.961	(0.585)	0.000	(0.585)
Traffic & Transportation The forecast variance is due to additional Traffic Order income.	(0.700)	(0.499)	0.000	(0.499)
Parking Services The forecasted variance is a result of putting in place additional traffic enforcement and parking control measures.	(5.952)	(2.721)	0.000	(2.721)
Regulatory Services Favourable variance mainly due to income from the FPNs Enforcement and pest control.	2.026	(0.350)	0.000	(0.350)
Health & Safety team Due to underspends in salary costs and increased income	0.550	(0.129)	0.000	(0.129)
Cemeteries Technical adjustment to treatment of stock for Edmonton cemetery extension.	(1.750)	0.375	0.000	0.375
Waste Services The variance is due to increased take up of the garden waste service	7.971	(0.213)	0.000	(0.213)

Place	Net Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance Q4
	(£m)	(£m)	(£m)	(£m)
and dry recycling underspend.				
Commercial Waste The underlying positive outturn is due to surpluses in the schedule 2 and housing trade waste services.	(0.976)	(0.166)	0.000	(0.166)
Street Scene The £0.210m relates to the provision of additional street cleansing (across the Borough), including weekends and early retirement exit costs.	5.329	0.210	0.000	0.210
Parks Operations/Activities & Engagement This is due to forecasted improved income from allotments, events and sport pitch bookings.	2.832	0.027	0.000	0.027
Fleet Services Salary and operational underspends	(0.680)	(0.167)	0.000	(0.167)
Passenger Transport Service The over spend is mainly due to: 1) Increase in passenger numbers – from 1,096 in March 2021 to 1,182 in March 2022 (8%) and 19% compared to the March 2019 passenger numbers. 2) Increase in passenger number of single occupancy routes from 36 routes in March 2021 to 82 in March 2022 - with an average cost of	9.165	0.628	0.000	0.628

Place	Net Budget (£m)	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance Q4 (£m)
<p>about £31k per annum, compared to buses and taxi routes of £13k average cost per annum. Some of the reasons are</p> <ol style="list-style-type: none"> 1) Schooling available for more complex cases 2) Behavioural issues getting worse as they get older 3) Increased number of sites, e.g., West Lea has 5-6 more sites 				
<p>Construction Maintenance Facility Management (CMFM)</p> <p>The overspend is due to shortfall in staffing recharges.</p>	3.766	0.025	0.000	0.025
<p>R&M (Repairs and Maintenance)</p> <p>The overspend is due to the uplift applied to the capital di minimis threshold increased from £0.01m to £0.05m resulting in costs no longer being funded from the capital budget</p>	0.000	0.365	0.000	0.365
<p>Meridian Water</p> <p>Additional meanwhile use income. The underlying variance is £1.154m, however of this £0.483m has been transferred to reserves to address a one off pressure in 2022/23, leaving a net favourable variance of £0.671m.</p>	(1.200)	(0.671)	0.000	(0.671)
<p>Strategic Property Services</p> <p>The favourable variance of £0.652m is due to increased rental receipts from the Montagu Industrial Estates, staffing under spend and various backdated rental income adjustments.</p>	(1.198)	(0.652)	0.000	(0.652)

Place	Net Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance Q4
	(£m)	(£m)	(£m)	(£m)
Housing Homelessness - £1.3m overspend. This is due to the number of tenants in Emergency Accommodation throughout 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. By the end of March 2022 there were 3,144 tenants (244 more than planned). Though it should be noted that this is now less than there was pre-pandemic.	4.563	1.281	0.000	1.281
No Recourse to Public Funds (NRPF) NRPF is £0.059m underspent due to less families than expected needing to use the service.	1.205	(0.059)	0.000	(0.059)
Other minor variances	1.258	0.110	0.000	0.110
Place Department Total	32.413	(2.405)	0.000	(2.405)

[Return to Place Narrative](#)

Appendix F

Resources	Net Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance Q4
	(£m)	(£m)	(£m)	(£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 £1.3m is forecast which is due to additional security related expenditure on applications, compliancy and testing and dual running costs of the CRM/CMS system until the existing system was decommissioned at the end of the financial year</p>	13.476	1.284	0	1.284
<p>Customer Experience</p> <p>Exchequer Services are reporting a favourable variance of £0.4m which is an increase of £0.1m since quarter 3. Savings in staffing, operational costs and recharges to the pension fund have been achieved. There has also been additional one-off savings following a review of historic transactions which have resulted in refunds due to the council.</p> <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 £0.2m adverse variance.</p>	10.778	(0.537)	0.000	(0.537)

Vacancies in the Customer Service & Financial Assessment teams are contributing to a forecast £0.3m underspend where staff have been redirected to support Covid related activities. 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.				
Transformation 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.	0.053	0.826	(0.826)	0.000
Other variances	7.463	0.242	0.000	0.242
Resources Department Total	31.770	1.815	(0.826)	0.989

[Return to Resources Narrative](#)

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	0.603	0.000	0.000
CEX: Communications Officer	0.043	0.000	0.000
CEX: Communications & Marketing	0.094	0.000	0.000
CEX: Additional Elections cost	0.104	0.000	0.000
CEX: Registrar's capacity	0.030	0.000	0.000
CEX: Emergency Planning	0.082	0.000	0.000
Chief Executive Total	1.025	0.000	0.000
People			
Adult Social Care			
ASC: Additional Social Workers/agency staff-MH	0.067	0.000	0.000
ASC: Additional Social Workers/agency staff-OP/PD Social workers and OTs	0.037	0.000	0.000

ASC: Additional Social Workers/agency staff-Enablement staff DTA	0.026	0.000	0.000
ASC: Additional Social Workers/agency staff-LD	0.021	0.000	0.000
Specialist nursing care to providers LD/MH	0.075	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.	0.022	0.000	0.000
ASC: Additional long term care purchasing costs as a result of cancelation of routine operations, hip, knee etc	0.408	0.000	0.000
ASC: Learning Disability Service – Placement breakdown	0.355	0.000	0.000
ASC: Hospital Discharge	1.813	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	0.000	0.000	0.000
ASC: Outside Safe areas	0.196	0.000	0.000
	10.258	0	0
Public Health			
Public Health: Funding for Food Forum	0.005	0.000	0.000
Public Health: Community Food Co-ordinator	0.042	0.000	0.000
Public Health: Community food project grants, promotion of Healthy Start schemes, Time to Spare platform	0.033	0.000	0.000
Public Health: Vaccination Bus	0.158	0.000	0.000
Public Health: Outreach support for rough sleepers, people living in encampments, Gypsy Roma and Traveller community.	0.006	0.000	0.000
Public Health: Edmonton Community Partnership - engagement with Eastern European communities to increase uptake of Covid vaccine	0.020	0.000	0.000
Public Health: Caribbean & African Health Network - Young People Vaccination sprint 2-19 July 2021	0.030	0.000	0.000

Public Health: 2021/22 London COVID-19 response contribution	0.011	0.000	0.000
Public Health: Vaccination Communications	0.013	0.000	0.000
Public Health: Find & Treat - Inclusion Health Testing & Contact Tracing	0.002	0.000	0.000
Public Health: Testing	0.003	0.000	0.000
Public Health: Community Vaccines	0.004	0.000	0.000
Public Health: Infection control and data analytics	0.228	0.000	0.000
ASC and Public Health Total	10.815	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	2.185	0.000	0.000
C&F: Additional staffing resources	1.061	0.000	0.000
C&F: Block booking placements	0.064	0.000	0.000
C&F: PPE for Children's Services (including Leaving care)	0.021	0.000	0.000
C&F: Other Children's related expenditure.	0.044	0.000	0.000
C&F: Increased support for care leavers, increased allowances and cost of accommodation.	0.021	0.000	0.000
C&F: Increased in Short Breaks (JSDC)	0.100	0.000	0.000
C&F: Play equipment (JSDC)	0.010	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	0.027	0.000	0.000
C&F: Youth Services	0.011	0.000	0.000
C&F: Delays in final hearings due to backlog at Courts	0.105	0.000	0.000
C&F: Covid-19 Reward Payments (JSDC)	0.003	0.000	0.000
Children & Families Total	3.691	0.000	0.000
Education			
Education: SEND support staff	0.012	0.000	0.000
Education: after-school provision for supervised independent study and increased Teaching Assistant support	0.348	0.000	0.000
Education Total	0.360	0.000	0.000
Place			
Homelessness Service	0.695	0.120	3.003
Protect & Vaccinate Rough Sleepers	0.174	0.000	0.000
Development Management Planning	0.094	0.000	0.000
ARG Grant and Welcome Back Fund	1.053	0.000	0.000
Highways Services (Loss of income from advertising on Highways)	0.000	0.049	0.000

Traffic & Transportation – Signs and Communications and loss of income from TFL	0.051	0.257	0.000
Parking Services	0.001	2.496	0.000
Regulatory Services	0.021	0.072	0.000
Cemeteries	0.000	0.121	0.000
Waste Operations	0.878	0.064	0.000
Commercial Waste Services	0.000	0.033	0.000
Street Scene Services	0.326	0.000	0.000
Parks Operations and Parks Activities & Engagement	0.200	0.044	0.000
Leisure Services	0.000	0.358	0.000
Fleet Services	0.862	0.000	0.000
Passenger Transport Service (Swims)	1.098	0.090	0.000

Construction Maintenance Facility Management (CMFM)	0.000	0.050	0.000
Community Mass Testing Programme & Mobile Testing Units + Covid Marshals & Locally Supported contact tracing + Mortuary	3.008	0.000	0.000
Meridian Water Team & Meridian Water Meanwhile Use Income	0.000	0.060	0.000
Strategic Property Services	0.000	0.176	0.000
Omicron Business Support Grant	1.082	0.000	0.000
General Fund - Community Halls & Youth Centres	0.000	0.000	0.000
Culture services	0.000	0.230	0.000
Place Total	9.747	4.219	3.003
Resources			
Increase in demand for Discretionary Housing Payments	0.414	0.000	0.000
Winter Grant/ Local Support/ Household Support	4.432	0.000	0.000
Practical Support for those Self Isolating	0.998	0.000	0.000
New Burdens 6 grant	0.054	0.000	0.000
Customer Experience: Financial Assessments staff overtime	0.122	0.000	0.000
Customer Experience: Civica on Demand Extra staff – Benefits	0.330	0.000	0.000
Customer Experience: Additional Financial assessment staff	0.095	0.000	0.000

Customer Experience: Additional Resources in Income & Debt service post COVID recovery	0.370	0.000	0.000
Customer Experience: Inc & Debt staff time	0.003	0.000	0.000
Customer Experience: Inc & Debt agency staff	0.124	0.000	0.000
Customer Experience: Inc & Debt Civica on Demand	0.174	0.000	0.000
Digital: Additional Staff Capacity - Overtime, Changes to 4th floor/Basement layout, Adjustments to allow people with Disability to work remotely	0.061	0.000	0.000
Digital: Additional remote working devices	0.263	0.000	0.000
Customer Experience: Community Hub Lead	0.025	0.000	0.000
Customer Experience: Customer Services additional agency staff	0.207	0.000	0.000
Self-Isolation Payments	0.962	0.000	0.000
Schools Catering service income	0.000	0.456	0.000
Libraries service income	0.000	0.208	0.000
Other Resources services loss of income e.g. recharges	0.000	0.214	0.000
Resources Total	8.542	0.878	0.000
Corporate			

Other miscellaneous costs	0.071	0.000	0.000
Corporate Total	0.071	0.000	0.000
Covid-19 Total	34.256	5.097	3.003

[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	0.125	Investment in Youth Development project ‘Nexus’ and Early Help interventions.
Children & Families	0.020	SEND & Disability Outreach Worker (2 Year Fixed Term)
Education	0.008	Investment in Nexus project
Education	0.049	Invest to Save increasing in borough SEN provision
Chief Executive		
Communications	0.041	Reflects transfer of Communications post from the Transformation team to the Communications team.
Corporate Strategy	0.020	Digital Development Programme (Digital Infrastructure & Inclusion)
Resources		
Digital Services IT		
Transformation	0.825	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

2021/22 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		used to support the funding of the following programmes: Payments, Children's Transformation, Build the Change, Customer Experience.
Total to be funded from the Flexible Use of Capital Receipts 2021/22	1.133	

[Return to Capital Receipts Narrative](#)

Appendix I

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	1.900	1.363	(0.600)	(1.500)	1.613
Green	0.850	0.986	3.354	1.250	0.000	6.290
Amber	0.000	0.719	1.145	0.780	0.000	2.344
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

[Return to Achievement of Savings Narrative](#)

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	C&F	New Savings/Income Proposals	Savings	Review of threshold in financial assessment of new Special Guardians	0.0	(80)
People	C&F	New Savings/Income Proposals	Savings	Care Leavers commissioning and benefit maximisation - Efficiency	0.0	(500)
People	C&F	New Savings/Income Proposals	Savings	Service Restructure – Service Reduction (excluding frontline staff)	0.0	(500)
People	ASC	New Savings/Income Proposals	Savings	Use of Technology	1.5	(40)
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	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)

[Return to Achievement of Savings Narrative](#)

Appendix K

Dedicated Schools Grant	Forecast Variance Q4 (£m)	Forecast Variance Q3 (£m)
Early Years Block	0.662	0.585
Schools and Central Services Blocks	(0.780)	(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.	4.688	5.248
DSG Total	4.570	5.223

[Return to DSG Narrative](#)

Appendix L

Reserves	Balances Reported in Outturn Report	Provisional Outturn 31 March 2021	Balance 31 March 2022
	£m	£m	£m
General Fund			
Risk Reserve	(20.527)	(21.006)	(22.106)
Covid-19 Reserve 2020/21	0.000	(0.433)	0.000
Covid-19 Reserve 2021/22+	(10.000)	(10.000)	(15.000)
Balance Sheet Management	(2.000)	(3.040)	(3.040)
Collection Fund Equalisation EM reserve	(10.542)	(24.396)	(20.596)
Housing Benefit Smoothing Reserve	(9.566)	(9.566)	(4.480)
Adult Social Care Smoothing Reserve	(3.697)	(3.697)	(3.697)
North London Waste Authority Reserve	(1.349)	(1.349)	(0.628)
Medium Term Financial Planning Smoothing Reserves	(37.154)	(52.481)	(47.441)
MRP Equalisation	(17.138)	(18.765)	(18.765)
Interest Rate Fluctuations	(4.663)	(4.663)	(4.663)
Capital Financing Reserves	(21.801)	(23.428)	(23.428)
Service Specific Reserves	(11.161)	(11.161)	(15.108)

Property	(2.101)	(2.101)	(1.372)
S31 Relief Grant	#(16.554)	0.000	0.000
Covid-19 Grant	(4.288)	(4.288)	(0.706)
Other Grant Reserves	(10.842)	(10.954)	(11.955)
Grants & Other Contributions	(15.130)	(15.242)	(12.662)
General Fund Usable Reserves Sub Total	(124.429)	(125.419)	(122.117)
Insurance	(7.021)	(7.022)	(7.022)
General Fund Balance	(13.950)	(13.950)	(13.949)
Total General Fund Reserves and Balances	(145.400)	(146.390)	(143.088)
Schools			
Schools' Balance	0.241	0.242	0.387
Total Schools' Reserves and Balances	0.241	0.242	0.387
Total General Fund Reserves and Balances	(145.159)	(146.148)	142.710

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 and homeless tenants from Covid-19	3.437
	Additional Discretionary Housing Payments	0.415
	Special Education Needs transport	1.098
	Public Health: Outreach support for rough sleepers, people living in encampments, Gypsy Roma and Traveller community.	0.006
Testing	Public Health: Testing	0.224
Vaccine deployment	Public Health: Vaccination deployment	0.181
	Public Health: Vaccination Bus	0.158
Compliance and Enforcement: COVID-19 Secure Marshals or equivalents (including overtime) Compliance and Enforcement: Environmental Health Officers (EHOs) (including overtime)	Env & Ops: Covid-19 Marshalls & EHOs for outbreak control and implicated premises	0.700
Compliance and Enforcement: other activities and staff	CEX: Communications & Marketing	0.094
	CEX: Communications Officer	0.043
	Env & Ops: Locally Supported contact tracing	0.247
Clinically Extremely Vulnerable	Food forum, Community Food Co-ordinator and Community Food project	0.081
	Community Hub Lead and Customer Support staff	0.232
Other	C&F: Increased in Short Breaks (JSDC)	0.100
	C&F: Our voice parent forum (JSDC)	0.010
	C&F: Play equipment (JSDC)	0.010
	COMF Other	0.048
Other: Prevention, management of local outbreaks and data intelligence, surveillance and communications.	Outside safe areas to increase contact facilities	0.223
	PPE	0.095
	Management, Infection control and data intelligence	0.229
	Communications	0.069
Total		7.874