

Enfield Council Budget 2021/22

**Over 50s Forum
Tuesday 12 January 2021**

Cllr Mary Maguire



Outline

- Council response to Covid-19 in 2020/21
- Financial Environment 2021/22
- Financial pressures in 2021/22
- Summary position for 2021/22
- Budget Engagement
- Concessionary Travel
- Questions

Council Response to Covid-19 2020/21

- Robust budget for 2020/21, underlying position sound and spend in line with budget
- 2020/21 Covid-19 impact of £55.8m
 - Lost income, Council Tax and Business Rates
 - Social Care additional costs
 - Homelessness additional costs
- £35.4m Grant from Government
- Council made savings to offset costs of £6.2m and used £3m of Contingency
- Businesses – significant rate reliefs and grants

Council Response to Covid-19 2020/21

Financial Summary

- The table below reflects the breakdown of the £55.8m over the three areas and by departments:

November	Spend	Bad Debt Provisions	Income	Savings	Total	% of Net budget
	£m	£m	£m	£m	£m	
Chief Executive	0.028	0.000	0.282	0.000	0.310	2.72%
Corporate	5.154	8.660	10.397	0.000	24.211	
People	9.210	0.000	0.362	0.000	9.572	7.61%
Place	5.510	0.000	7.090	1.850	14.450	41.03%
Resources	2.286	0.000	4.011	1.000	7.297	19.01%
Total	22.188	8.660	22.142	2.850	55.840	

Council Response to Covid-19 2020/21

Financial Summary

	£m	£m
Covid-19 Pressure as at December 2020		55.840
<u>Funding</u>		
General support Share	(30.894)	
Sales, Fees & Charges support (estimate)	(4.054)	
Emergency Assistance Grant – Food & Essential Supplies	(0.426)	
Total Funding		(35.374)
Gap After Funding		20.466
Contingency and In year savings		(9.269)
Underlying Council position as at Q2		(0.345)
Gap*		10.852

* The Gap of £10.852m includes the Collection Fund deficit of £12.752 which will be carried to 2021/22.

Financial Environment 2021/22

- Significant uncertainty
- Fair funding and Business Rates reset delayed until 2022/23
- No long term solution to Adult Social Care Funding
- Spending Review announcement at the end of November
 - Late
 - Single year
- Continued Covid-19 pressures

Current Financial Position for 2021/22

£1.6m Gap

Underlying Position

- Grants -£3.2m
- Taxes -£8.0m
- Inflation £5.9m
- Demography £3.5m
- Other pressures £6.4m
- Savings £12.2m
- Overall -£4.6m in hand

Covid-19

- Council Tax Support £8m
- Business Rates £4m
- Social Care/Service pressures £7.2m
- Lost income £2.7m
- Government Support -£18.6m
- Use of reserves -£3.2m
- Overall shortfall £6.2m deficit

Council Budget Engagement

- The Budget Engagement process started on 19th November 2020 and runs until 20th January 2021
- The consultation is available on the Council's website www.enfield.gov.uk (link below)

<https://new.enfield.gov.uk/consultations/2020-11-16-have-your-say-on-the-202122-budget-phase-1/>

Council Budget Engagement - Questions

- Q1 - To what extent do you agree or disagree that we should consider the following approaches to address our budget shortfall? (options were strongly agree, tend to agree, tend to disagree, strongly disagree and not sure)
 - Reducing the number of staff delivering certain services and functions
 - Increasing the income we receive and/or reducing costs of certain activities and services
 - Improving how we use technology and/or manage our back-office processes
 - Changing our contracts with providers of certain goods and services
 - Encouraging self-service from residents and other customers
 - Reducing services
 - Making better use of our properties

Council Budget Engagement - Questions

- Q2 - Thinking about the proposals as a whole, to what extent do you feel we are taking the right approach? (options were strongly agree, tend to agree, neither agree nor disagree, tend to disagree, strongly disagree and don't know)
- Q3 - How much of a positive or negative impact do you feel the various approaches in Q1 could have on your household? (options were very positive, fairly positive, neither positive nor negative, fairly negative, very negative and not sure)
- Q4 - If you have any other comments you would like to make about the savings proposals or the budget challenge we face, please let us know

Concessionary Travel

- Covid-19 has had a significant impact on the cost of concessionary travel to the Council with fewer journeys being made, both due to periods of lockdown and changes in behaviour
- During the first lockdown in spring 2020, journey numbers on buses reduced by over 80% and on the underground by over 90%
- In 2020/21 the London wide Freedom Pass scheme cost Enfield £11.468m. This is projected to reduce to £10.104m in 2021/22, a cost reduction of £1.364m

QUESTIONS?