



## London Borough of Enfield

<b>Title of Report:</b>	Medium Term Financial Plan (2025/26 to 2029/30)
<b>Report to:</b>	Cabinet
<b>Date of Report briefing:</b>	8th January 2025
<b>Cabinet Member:</b>	Cllr Tim Leaver (Finance & Procurement)
<b>Directors:</b>	Jo Moore, Executive Director – Resource
<b>Report Author:</b>	Neil Goddard, Head of Financial Strategy
<b>Ward(s) affected:</b>	All
<b>Key Decision Number</b>	KD 5783
<b>Implementation date, if not called in:</b>	
<b>Classification:</b>	Part I Public
<b>Reason for exemption</b>	

### Purpose of Report

1. This report provides an update on the Council's five-year Medium Term Financial Plan and presents the draft General Fund budget for 2025/26 and brings forward a set of proposed new savings and income proposals for approval. Budget consultation will commence on 9th January for savings approved by Cabinet.
2. Whilst significant work has been undertaken to propose additional savings, at the time of writing this report, General Fund expenditure is estimated to remain higher than the Council's income and funding resulting in a revised budget gap of £10.8m.
3. This report sets out:
  - The headlines of the Autumn Statement announced on 30<sup>th</sup> October 2024 and the Local Government finance policy statement on 28<sup>th</sup> November 2024. It should be noted that both statements only give details of national funding available and not specific funding allocations for individual Councils. These details will be contained in the provisional Local Government Finance Settlement due to be announced on 19th December 2024.
  - An update on funding and spending assumptions.

- A further tranche of new savings and increased income proposals, in addition to the first tranche of savings that was approved by Cabinet on the 11th September 2024.
  - The proposed increases to fees and charges across service departments for 2025/26.
  - The report also identifies key risk areas and uncertainties inherent in the 2025/26 budget and MTFP.
4. The Council is also required to undertake consultation on savings approved by Cabinet in the draft budget.

## **Recommendations**

Cabinet is recommended to:

- a. Note the progress towards balancing the budget for 2025/26 through robust challenge to Council pressures and the identification of a further set of new savings and income proposals.
- b. Agree in principle the proposed second tranche of savings and income generation proposals of £8.7m in 2025/26 put forward by departments as shown in Table 5. Further details of the indicative proposals are set out in Appendix 3(iii):
  - £5.7m from service redesign, efficiencies, and demand management
  - £3.0m from income generation.
- c. Note that the Council's Executive Directors have confirmed that these savings and income proposals, or suitable alternatives, will be deliverable for 2025/26.
- d. Note the details of national funding allocations announced in the Chancellor's Autumn Statement, which was delivered on 30th October 2024 and the Local Government Policy statement on 28th November 2024
- e. Note that individual Council allocations will be announced in the provisional Local Government Financial settlement due to be published on or before 19 December 2024.
- f. Note that Enfield Council has expressed its interest to MHCLG to continue with the smaller Business Rate Pool of eight London boroughs for a further year into 2025/26.
- g. Note that the income and savings proposals set out in this report are being recommended for approval subject to consultation and assessment of the equality implications where relevant.
- h. Note the overall forecast level of reserves over the medium term as set out in paragraphs 77 to 82 and that the S151 Officer will be required to make a statement in the final budget as to whether those reserves are adequate for the financial risks that the Council is facing.
- i. Note the proposed Fees and Charges (subject to Council approval) set out in Appendices F to J and the continuation of the flexibility introduced in 2021/22 for these to be varied in year where appropriate.

## **Background and Options**

5. The financial position for Local Government remains challenging with continued significant pressures for Temporary Accommodation, children's care costs and housing benefit lost for claims from unregistered support providers. As reported to Cabinet on 13th November 2024, the Council is forecasting an overspend at the end of the second quarter and Members should note that any overspend will further deplete reserves which have been a significant source of funding to balance the Council's budgets in the previous financial years. The financial challenges facing the Council are therefore acute.
6. Significant work has been undertaken since the last report to Cabinet to develop robust action plans to address the specific budget challenges. However, many of these actions require time to implement and for any financial impact to be felt.
7. In addition, more broader cost control measures have been put in place to reduce the 2024/25 overspend, with several workstreams including establishing a spend control panel, procurement review, workforce panel, review of building maintenance requirements and ongoing review of the capital programme to reduce our borrowing requirements. The Council has taken a refreshed approach to address and drive down the cost pressures and identify further savings and income proposals. Further cost control measures will be implemented for the last quarter of the financial year. This report focuses on the 2025/26 budget setting process.
8. The current forecast position for 2025/26 is a gap of £10.8m and £68.3m across the medium term to 2029/30. There are several reasons driving the gap, notably pay award, inflation, demography, children's and adult social care services cost pressures, and subsidy loss in Housing Benefits claims.
9. Whilst inflation has reduced significantly following a period of high inflation, it is still fluctuating and expected to be in the region of 2.5%<sup>1</sup> during 2025. interest rates have only very recently been reduced and are not forecast to decrease significant in the next financial year.
10. The government has announced the intention to move to multi-year settlements with details expected in the Spring spending review. Until then funding for 2025/26 is a further one-year settlement.
11. In response to the significant challenges of reduced funding and increased demand that authorities were facing, as well as high-profile issues faced by Local Authorities, the Council has had a strong focus over recent years on the importance of strengthening financial resilience and sustainability and this report details the measures the Council is proposing in response to setting a budget for 2025/26.

## **Recent Government Funding Announcements**

12. Over the autumn a number of funding announcements have been made, the autumn budget statement in October and the funding policy statement in

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<sup>1</sup> Source: Office for Budget Responsibility – Economic and Fiscal Outlook (October 2024)

November. The outcome of these is summarised below, including the national position and potential impact for Enfield.

13. The Government announced Local Government 2025/26 Core Spending Power to increase by 3.2% in real terms. Note the core spending power assumes that councils will increase council tax by the maximum of 4.99% and so any decision not to approve the increase would result in permanent and compounding loss of core spending power. Enfield's Core Spending Power will initially be published via the provisional local government finance settlement in December.
14. There was a notable grant increase announced for Social Care (£680m nationally) and a new one-off Recovery Grant allocation of £600m. However, this grant will not be allocated to all Councils and only targeted to those with severe deprivation factors. Additional funding announced for some significant pressure areas includes, nationally a further £1bn for SEND (Special Educational Needs & Disabilities) and £230m for Homelessness. The distributions of which are all still to be confirmed.
15. £1.1bn of new funding in 2025/26 was announced to assist the achievement of Net Zero targets through the implementation of the Extended Producer Responsibility Scheme as part of the Collection and Packaging Reform Programme. Initial estimates are expected in the Autumn. However, there may be additional obligations placed on local authorities, along with the funding, that will need to be considered.
16. Employer National Insurance Contributions will increase by 1.2% in 2025/26 along with a reduction in the threshold before contributions become payable. It is anticipated that public sector organisations are to be compensated for this but at the time of writing this is yet to be confirmed whether this will be full cost recovery or a formula allocation. The draft budget assumes full cost recovery.
17. The NI increase will have a significant impact on costs for the Council's suppliers such as external social care providers. The National Minimum Wage is rising by 6.7% for 2025/26 which will also impact on costs. The government has not announced any compensation funding for care providers and therefore there is a real risk that this will add additional pressures on the Council, not currently assumed in the budget, as our supply chain seeks to pass on those costs. National conversations are taking place, and it will be important that the Council maintains robust and commercial contractual negotiations with suppliers.
18. The government will allocate £1bn in 2025/26 to extend the Household Support Fund and Discretionary Housing Payments across the UK. This is a welcome confirmation for Enfield residents who continue to be impacted by the cost-of-living crises particularly in relation to the property rental sector which has seen unprecedented increases in rents charged for housing.
19. The final Local Government Finance Settlement for 2025/26 will not be known until after the time of this report being published. Once announced, officers will review the final allocations and update on any significant changes and the Housing Benefit Subsidy loss and the impact they have in the final budget report which is going to Cabinet and full Council in February 2025.

## **Progress towards setting a balanced budget for 2025/26**

20. The key objective of the Council's Medium Term Financial Strategy is financial resilience and protecting the services which are providing support to the most vulnerable in the Borough.
21. The work over recent years to create a more robust and resilient budget has continued. However, as has been reported, and outlined above, there has been an accumulation of adverse factors impacting on the budget position. The budget gap for 2025/26 reported in the February 2024 Budget Report was £30m. The latest Budget gap is £10.8m which is a reduction of £19.2m and this has resulted from a review and reduction of growth bids and identification of around £18.7m of new savings and income proposals. These savings will be subject to budget consultation and further due diligence to provide further assurance that they are deliverable.
22. It will be more important than ever for savings approved to be delivered as the Council has relatively low levels of reserves to smooth the delivery of savings. Executive Directors will be formally asked to sign off their budget allocations and an assurance statement that they will operate within their approved budget allocations in line with the Council's constitution.
23. The future years' budget gaps total £57.5m which will need addressing through a combination of increases in government funding, potential council tax increases and further savings and efficiencies over the medium term.
24. The Government's Autumn Budget announcement and recent Policy Statement provide the possibility of additional funding but there is still uncertainty whether the Council will benefit from all the new funding and given the uncertainty the current gap presented assumes a relatively "flat" level of funding to adopt a prudent approach.
25. In any event, some of the new funding is clearly one-off funding against a budget gap which is permanent. As there is no guarantee that the one-off funding will be rolled into any future year's funding, it is important that the Council continues to find permanent savings to fund the budget gap.
26. Going forward, the Council needs to find a way to not just balance its budget each year but replenish its depleted reserves to ensure its financial sustainability and that the Council Plan underpinned by Members objectives can be delivered.
27. Financial pressures across the Council are routinely monitored and Executive Directors are responsible for implementing management actions to mitigate these pressures and operate within their approved budget allocation. Where these cannot be mitigated by the Executive Director and accepted as a corporate responsibility these are then identified to Members and included in the MTFP. A total of £37.5m of growth has been built into the 2025/26 budget and is detailed in Appendix E. Further details of the pressures can be found in paragraphs 45 to 62.
28. An initial £10.3m of savings were agreed in principle at September 2024 Cabinet meeting (revised figure £10.0m) and a further £8.7m of new savings are proposed as part of this report. If approved this will total

£18.7m of new savings and income proposals that will help balance the budget for 2025/26.

29. However, some of these savings proposals will be subject to public consultation and responses, considered and factored into the final budget proposals. Further due diligence is also being undertaken to ensure that these proposals are robust and deliverable.
30. The draft budget as proposed is also prior to the announcement of the final Local Government Finance settlement in February 2025 and finalised Council Tax and Business Rates income which will not be known until January 2025 where further changes could still be seen.
31. In addition to the remaining gap, there are several risks that could further impact the budget, notably, macro-economic factors, final 2025/26 pay award, demand for services increasing beyond current assumptions.
32. There is further work to be undertaken between January and February 2025 to finalise the budget position. This includes:
  - Identification of further new savings and income proposals and ongoing due diligence of the current cost pressures, savings, and income proposals.
  - Review of any 2024/25 Quarter 3 cost pressures in comparison with the estimated cost pressures thus far included in the 2025/26 budget and the impact of any further spend control measures.
  - Updating the estimate of the Council Tax and Business Rates income (the final business rate income forecasts will not be available until mid-January).
  - Impact of the Provisional and then Final settlement and any updates on grants outside of the settlement e.g., Homelessness Prevention Grant.

### **Review of overall Funding, Spending Assumptions and Savings proposals**

33. The following sections look at the overall position and how the budget has been put together through funding, spending assumptions, and savings and income proposals. This is set out in the summary table below with further details of key areas provided in the following paragraphs:
  - Table 1 shows the overall position.
  - Table 2 shows how the net funding has changed.
  - Table 3 shows the budget pressures and growth.
  - Tables 4 - 7 summarise the savings by type for September and January savings.

**Table 1 – MTFP Summary**

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
<b>Change in Grant funding and Collection Fund</b>	<b>(8.810)</b>	<b>0.754</b>	<b>(2.024)</b>	<b>(1.687)</b>	<b>(1.723)</b>	<b>(13.490)</b>
<b>Cost pressures and inflation</b>	<b>37.463</b>	<b>24.297</b>	<b>18.799</b>	<b>11.638</b>	<b>8.227</b>	<b>100.424</b>
<b>Gap</b>	<b>28.653</b>	<b>25.051</b>	<b>16.775</b>	<b>9.951</b>	<b>6.504</b>	<b>86.934</b>
Savings:						
Prior Year Savings	0.852	0.236	0.000	0.000	0.000	1.088
New Savings – September	(10.019)	(0.520)	0.700	(0.300)	0.000	(10.139)
New Savings - January	(8.701)	(0.895)	0.000	0.000	0.000	(9.596)
<b>Total Savings</b>	<b>(17.868)</b>	<b>(1.179)</b>	<b>0.700</b>	<b>(0.300)</b>	<b>0.000</b>	<b>(18.647)</b>
<b>Remaining Gap</b>	<b>10.785</b>	<b>23.872</b>	<b>17.475</b>	<b>9.651</b>	<b>6.504</b>	<b>68.287</b>

**Funding Assumptions**

34. The changes to funding assumptions in the MTFP are summarised in the table below with some further detail provided in the following paragraphs.

**Table 2 – Funding Assumptions in the MTFP**

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
Specific Government Grants	0.055	0.100	0.100	0.100	0.100	0.455
Revenue Support Grant	(0.354)	(0.362)	(0.389)	0.000	0.000	(1.105)
<b>Gov Grant Sub-Total</b>	<b>(0.299)</b>	<b>(0.262)</b>	<b>(0.289)</b>	<b>0.100</b>	<b>0.100</b>	<b>(0.650)</b>
NNDR Pooling Upside 24/25 reversal	3.000	0.000	0.000	0.000	0.000	3.000
NNDR Pooling Upside 25/26	(2.700)	2.700	0.000	0.000	0.000	0.000
Business Rates	(1.635)	(1.684)	(1.735)	(1.787)	(1.823)	(8.664)
Council Tax	(8.189)	0.000	0.000	0.000	0.000	(8.189)
Collection Fund 24/25 reversal	1.013	0.000	0.000	0.000	0.000	1.013

Collection Fund 25/26 Surplus	TBC	TBC	0.000	0.000	0.000	0.000
<b>Collection Fund</b>	<b>(8.511)</b>	<b>1.016</b>	<b>(1.735)</b>	<b>(1.787)</b>	<b>(1.823)</b>	<b>(12.840)</b>
<b>Grand Total</b>	<b>(8.810)</b>	<b>0.754</b>	<b>(2.024)</b>	<b>(1.687)</b>	<b>(1.723)</b>	<b>(13.490)</b>

### **Collection Fund**

35. The Business Rates and Council Tax assumptions in 2024/25 were prudent, given the uncertainty around Council Tax collection rates with the cost-of-living crisis and high inflation that was being experienced.

### **Council Tax**

36. The governments November policy statement confirmed that the core council tax referendum principles will continue the same as 2024/25. The core Band D threshold will be 2.99%, and the adult social care precept a further 2.00%.

### **Business Rates**

37. The 2025/26 forecast for business rates has been reviewed in line with advice from our Collection Fund advisors. The latest forecast is a total of £100.1m, made up of the retained element, top up and s31 grants.
38. It was announced at the Autumn Budget that the small business rates multiplier will be frozen at 49.9p, and the standard business rates multiplier will increase to 55.5p. For 2025/26, Baseline Funding Levels will increase to reflect the increase of the standard multiplier, accounting for the fact that authorities have different shares of properties subject to the small and standard multipliers. This will be done by using proxy data from the Valuation Office Agency's non-domestic rating list published on 1 April 2023.
39. For most Councils, the decision on the multipliers will have no financial impact because cap compensation payments will cover any lost income, and this is the expectation that is included in the Council's funding assumptions.
40. The growth in NNDR funding that has been estimated is due to the application of an assumed CPI rate of 1.6%. In total it is estimated that the Council will generate an additional £1.6m in business rates but this figure will not be confirmed until the completion and submission of the NNDR 1 return at the end of January 2025, and therefore should be treated as indicative at this stage.

### **Eight Authority Business Rates Pool**

41. The Council has indicated its intention to remain within the pooling arrangements that have been in place for the last two financial years. Latest forecasts indicate that there will be sufficient balances to apply £2.7m as a one-off to support the budget. It should be noted that these balances currently form part of the Council's earmarked reserves.

### **Government Grants**

42. The Provisional Local Government Finance settlement is expected on the 19th December 2024, which will be after the time of writing this report.



Whilst the October Budget and November Policy statement appear to broadly favourable in terms of funding for local authorities, the specific increases in funding are not yet known for Enfield and may not be sufficient to cover the current demand pressures and cost inflation. Whilst new and additional funding has been announced for Social Care, Prevention in Children’s Social care and a new Recovery grant targeted at areas with greater need and demand for services but with less ability to raise income locally, this is expected to be tempered with existing grants that are being repurposed i.e. ceased.

43. An additional £250m (national allocation) has been announced for the Homelessness Prevention Grant.
44. In addition, income of £1.1bn nationally from the Extended Producer Responsibilities for packaging will be received by local authorities in 2025/26 to cover net costs of collecting, managing, recycling, and disposing of household packaging waste.

### **Inflation, Pay Award, Demography and Other Spending Assumptions**

45. Spending assumptions for 2025/26 which were assumed in the February 2024 Council Report totalled £22.9m. These have since been reviewed and updated and now total £37.5m. The latest spending assumptions in the MTFP are summarised in the table below with some further detail provided in the following paragraphs.

**Table 3 - Spending Assumptions in the MTFP**

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Inflation	13.696	7.604	8.874	8.036	8.216	46.426
Investment	0.228	0.150	0.150	0.150	0.150	0.828
Demography:						
Adult Social Care	2.789	4.900	2.400	2.400	2.400	14.889
Children’s	6.192	2.000	2.000	2.000	2.000	14.192
SEN Transport	0.500	0.350	0.350	0.350	0.350	1.900
Underlying Pressures	3.977	3.747	0.000	0.000	0.000	7.724
Housing Benefit Subsidy Loss	7.163	0.000	0.000	0.000	0.000	7.163
Capital Financing	0.000	4.240	3.680	(2.500)	(6.060)	(0.640)
North London Waste Authority	1.478	TBC	TBC	TBC	TBC	1.478
Concessionary Fares	1.440	1.306	1.345	1.202	1.171	6.464
<b>Grand Total</b>	<b>37.463</b>	<b>24.297</b>	<b>18.799</b>	<b>11.638</b>	<b>8.227</b>	<b>100.424</b>

## **Inflation**

46. Whilst inflation has reduced from the historically high period of the last few years, it is fluctuating just above the government's target of 2% (October 2024 CPI being 2.3%). This remains an area of risk for 2025/26 and the additional budget built into the MTFP for inflation for 2025/26 is £13.7m.
47. Energy costs relate to our corporate buildings and remains a risk despite recent improvement in market prices. Whilst Enfield forward purchases its energy via LASER, the well-known local government energy procurement organisation, and uses its updates to refresh assumptions, this is still dependent on market fluctuations and timing of purchasing. An additional £0.2m has been allowed for in the budget for 2025/26.
48. Adult Social Care inflation accounts for a further £4.7m and reflects specific factors such as both national and market developments and predicted wage inflation including National Living Wage. A further £0.2m has been built in for Children's Social Care inflation.
49. A general inflation budget of £1.6m has been built in for 2025/26, with further work underway to provide a more precise assessment of contract inflation.

## **Pay Awards**

50. The Council has allowed for a 2.5% pay award increase in 2025/26 within the budget. If the actual pay award is more than this budget provision, then departments will need to manage the pressure from within their existing resources. This is an area of risk for the Council's budget and dependent on the final resolution of the pay award negotiations. In addition, whilst the 2024/25 pay award has now been agreed, the impact for the Council is still being quantified. therefore, a provisional £2m has been included to allow for the budgets to catch up pending the outcome.

## **Investment**

51. Investment of £0.2m is required to deliver specific savings proposals, including the changing to LED lighting in parts of four corporate buildings, creating additional day care provision in adults day services and increasing recycling rates and thus driving down the volume of residual waste which needs to be collected.

## **Demography**

52. The demographic growth of £9.5m covers provision for ongoing demand in 2025/26 for Adults and Children's Social Care and Special Education Needs Transport. The most significant demographic pressure is £6.2m required for external care purchasing due to both an increase in demand and the level of support required. This pressure emerged towards the end of 2023/24 and remains a pressure throughout 2024/25.

53. £2.8m is required in Adult Social Care to reflect the ongoing demand for services. This reflects the need to support more people, which in turn means that a greater number of financial assessments will be undertaken. Part of the financial assessment includes working with people to maximise the benefits that they are entitled to. Therefore, with increased cost pressures comes increased income expectations and these are reflected in the new savings and income proposals put forward.
54. Previous year estimates of an annual £0.6m increase for SEN Transport have been revised, with £0.5m now required for 2025/26 but this is anticipated to reduce to £0.35m for following years of the MTFP.

### **Homelessness**

55. This was previously the single most significant pressure and risk faced by the Council. There was an overspend of £18.5m in 2023/24 predominantly caused by a lack of available temporary accommodation at affordable rates, and hence a sustained use of expensive hotel accommodation. An additional £7.7m was added to the budget for 2024/25 and an earmarked reserve of £10m created to manage the risk. Through the Homelessness action and mitigations put in place, the overspend has reduced to £7.3m for 2024/25 and expected to further reduce to £2.8m for 2025/26. It is planned to utilise the remaining balance in the specific earmarked reserve to fund this pressure in 2025/26. However, significant risks remain here, and we are awaiting notification of Enfield's allocation from the Government's increase in homelessness prevention grant of £250m nationally. Our share of the grant will be used to help offset these costs and protect the reserve.

### **Housing Benefit Subsidy Loss**

56. The Housing Benefit loss issue emerged towards the end of 2023/24 and therefore it was not possible to allow for this in the 2024/25 budget. An action plan is being implemented to reduce the subsidy loss. Given the size of the problems and risk associated, a prudent estimate of £7.2m has been allowed for in the budget for 2025/26 on the assumption that the action plan will reduce the loss, but the residual pressure cannot be calculated with any certainty at this stage.
57. The estimated levy for the 2025/26 North London Waste Authority is estimated to be £13.4m. This reflects an increase of circa £1.2m on the 2024/25 levy but we had already anticipated an increase of £0.6m when the budget was set in February. However, to reduce the pressures, the planned contribution of £1.1m to the NLWA earmarked reserve in 2025/26 has been removed pending the updated medium-term forecasts from the NLWA.
58. Forecasts for Concessionary Fares over the medium term have been received from London Councils. Next year's estimate is £11.6m, which means an additional £1.4m being required to add to the current cost of £10.2m.
59. Welfare payments and the welfare team have been funded from a contribution of the Household Support Fund (HSF) and earmarked

reserves. £0.5m in 2025/26 reflects the strategy of phasing out the use of reserves and establishing a permanent base budget. The Government announced an extension of the HSF for 2025/26 and this potentially could mitigate this growth pressure for next year and will be considered in the HSF plan for 2025/26, with updates to the gap provided in the February report.

60. Additional resources are required in Property services, including £0.7m for repairs and maintenance in corporate buildings and £0.9m for loss of income relating to Montague Estate and Palace Gardens.
61. £0.4m was required to provide additional capacity in the SEN team.
62. The insurance contract was retendered, and the new contract price exceeds the budget by £0.3m.

### **New Savings & Income Proposals**

63. Departments have been formulating new savings and income proposals. Proposals totalling £10.3m in 2025/26 were put forward in the September Cabinet report (since adjusted down to £10.0m upon further review). These savings contained a mix of service redesign, efficiencies, service reduction and income generation proposals, and a further analysis is set out below.

**Table 4 – New Savings & Income Generation proposals 2025/26 - 2029/30  
September Cabinet**

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Income Generation	(5.138)	(0.675)	0.700	(0.300)	0.000	(5.413)
Service Redesign	(2.319)	0.000	0.000	0.000	0.000	(2.319)
Service Efficiencies	(1.232)	0.155	0.000	0.000	0.000	(1.077)
Contract Management	(1.300)	0.000	0.000	0.000	0.000	(1.300)
Changes in Service Delivery	(0.030)	0.000	0.000	0.000	0.000	(0.030)
<b>Total</b>	<b>(10.019)</b>	<b>(0.520)</b>	<b>0.700</b>	<b>(0.300)</b>	<b>0.000</b>	<b>(10.139)</b>

64. Further savings and income proposals totalling £8.7m are being put forward for Cabinet approval in this report. A summary of these is provided in the table below.

**Table 5 – Further New Savings & Income Generation proposals 2025/26 – 2029/30 January Cabinet**

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
Income Generation	(3.022)	(0.363)	0.000	0.000	0.000	(3.385)
Service Redesign	(1.729)	(0.375)	0.000	0.000	0.000	(2.104)
Service Efficiencies	(1.854)	0.018	0.000	0.000	0.000	(1.836)
Contract Management	(1.213)	0.000	0.000	0.000	0.000	(1.213)
Changes in Service Delivery	(0.883)	(0.175)	0.000	0.000	0.000	(1.058)
<b>Total</b>	<b>(8.701)</b>	<b>(0.895)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(9.596)</b>

65. Appendix C(iii) provides the full list of the proposals being put forward in this report for approval. Note that the savings proposals set out in this report are being recommended for approval subject to public consultation and assessment of the equality impacts where relevant.
66. As recommended in the September 2024 report, to maximise the financial benefit of these proposals it is recommended that, where applicable, they are implemented as soon as feasibly possible, which could mean that some could help mitigate the 2024/25 forecast overspend and the consequent draw on reserves.
67. The savings and income proposals agreed in the budget are monitored throughout the year, these include those that are for savings in future years. Where required these have been reprofiled to reflect current likelihood of delivery, in addition, some savings have been reconsidered or deemed undeliverable, such as the alternative funding for Christmas lights, changing the operating hours of Barrowell Green, and reletting of John Wilkes House and Charles Babbage House.
68. There is a total of £18.720m of new savings for 2025/26 and £19.735m across the Medium Term.

**Table 6 - Savings Summary**

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
<b>Full Year Effects</b>	<b>0.852</b>	<b>0.236</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.088</b>
September Savings	(10.019)	(0.520)	0.700	(0.300)	0.000	(10.139)
January Savings	(8.701)	(0.895)	0.000	0.000	0.000	(9.596)
<b>Total New Savings</b>	<b>(18.720)</b>	<b>(1.415)</b>	<b>0.700</b>	<b>(0.300)</b>	<b>0.000</b>	<b>(19.735)</b>
<b>Grand Total</b>	<b>(17.868)</b>	<b>(1.179)</b>	<b>0.700</b>	<b>(0.300)</b>	<b>0.000</b>	<b>(18.647)</b>

**Table 7 – Savings Summary by category (FYE & new savings)**

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
Income Generation	(8.140)	(1.038)	0.700	(0.300)	0.000	(8.778)
All other categories	(9.728)	(0.141)	0.000	0.000	0.000	(9.869)
<b>Grand Total</b>	<b>(17.868)</b>	<b>(1.179)</b>	<b>0.700</b>	<b>(0.300)</b>	<b>0.000</b>	<b>(18.647)</b>

**Summary of the Impact by Department**

69. The table below summarises the impact by department, this clearly shows the investment required in the People department, notably across Adult Social Care, Children's and Education which amounts to growth of £14.519m gross and £8.501m net of efficiency savings. These pressures have a significant impact on the Council's financial position. The £8.501m net growth is equivalent to 5.3% of the Council's total 2024/25 budgeted net spend of £160.772m on these services – comprised of Adult Social Care £101.317m, Children's Services £55.840m and Education £3.615m.
70. It should be noted that within the £8.3m held corporately for inflation, £6.9m relates to the pay award and will be allocated across all departments once the 2025/26 final pay award is agreed.
71. For Adult Social Care, the greatest pressures are coming through from contractual commitments to existing care providers in the form of inflationary uplifts alongside future growth in the numbers of older people.
72. For Children's & Education there are pressures across all of Children's Social Care and the increased pressures of SEN Transport have needed to be included in the base budget for 2025/26.

**Table 8 - Net Impact by Department of the Pressures and Savings Proposals**

	Corporate	Chief Exec/ Resources	Adult Social Care / Public Health	Children' s & Education	Environment & Communities	Housing & Regeneration	Total
	£m	£m	£m	£m	£m	£m	£m
Demography	0.000	0.000	2.789	6.192	0.500	0.000	9.481
Inflation	8.347	0.325	4.745	0.184	0.095	0.000	13.696
Investment	0.228	0.000	0.000	0.000	0.000	0.000	0.228
Capital Financing	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pressures	0.000	7.996	0.000	0.609	2.535	0.000	11.140
Concessionary Fares & NLWA	1.440	0.000	0.000	0.000	1.478	0.000	2.918
<b>Sub-total Pressures</b>	<b>10.015</b>	<b>8.321</b>	<b>7.534</b>	<b>6.985</b>	<b>4.608</b>	<b>0.000</b>	<b>37.463</b>
Full Year savings	0.000	(0.200)	0.055	0.290	0.707	0.000	0.852
New Savings	(0.384)	(4.312)	(5.480)	(1.093)	(7.451)	0.000	(18.720)
<b>Sub-total Savings</b>	<b>(0.384)</b>	<b>(4.512)</b>	<b>(5.425)</b>	<b>(0.803)</b>	<b>(6.744)</b>	<b>0.000</b>	<b>(17.868)</b>
<b>Net Change in Resources</b>	<b>9.631</b>	<b>3.809</b>	<b>2.109</b>	<b>6.182</b>	<b>(2.136)</b>	<b>0.000</b>	<b>19.595</b>

#### **Other Pressures to be met from Reserves**

73. As highlighted above, there are welfare support activities that are not yet fully incorporated into the Council's overall budget but instead funded directly through reserves and the Household Support Fund (HSF). The plan is that the general fund budget will be built up over time in the MTFP to reduce the draw on reserves. The Government has recently announced the extension of the HSF into 2025/26 and therefore this plan will be reviewed, and updates provided in the February report.
74. The MTFP reflects the changes in the North London Waste Authority (NLWA) levy to cover the estimated cost of the North London Heat and Power Project (NLHPP). This project is building a new Energy Recovery Facility in Edmonton, replacing the existing Energy from Waste plant at the EcoPark that has served north London for over 50 years but is coming to the end of its operational life.
75. The estimated cost of building this new facility will significantly increase the Council's NLWA levy requirement and, as with all major construction projects, comes with significant risks. A specific reserve held is utilised to smooth the fluctuations in levy and provide a buffer from large annual increases in preparation for the completion of the new facility. The date of the new facility becoming operational is facing delays and as such should impact on the levy for NLWA members. Therefore, the previous assumptions made are being revisited and will be dependent on updated medium-term estimates from the NLWA.

76. The Council has a specific reserve to help manage the overall cost of the development of the Local Plan, with planned use of reserves totalling circa £0.4m next year. The adequacy of this will be reviewed in finalising the MTFP.

**Table 9 – Other Pressures Funded from Reserves**

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Discretionary Housing Payments	0.350	0.000	0.000	0.000	<b>0.350</b>
Welfare Advice and debt support resources	0.608	0.000	0.000	0.000	<b>0.608</b>
Local Plan	0.400	0.000	0.000	0.000	<b>0.400</b>
NLWA levy	0.000	TBC	TBC	TBC	<b>TBC</b>

### **Reserves and Financial Resilience update**

77. Core to the Council's Financial Strategy has been establishing financial resilience. As well as ensuring there are robust budgets and realistic savings there has been a need to strengthen reserves.
78. However, the overspends in both 2022/23 and 2023/24 significantly eroded the reserve balances. The forecast overspend of £9.4m for 2024/25 will be a further draw on limited reserves. The Council's reserves provide resilience to deal with any unforeseen budget pressures.
79. As stated in the Revenue monitoring reports for 2024/25, the Council is addressing the forecast depletion in reserves with action to balance the budget through spend control measures, and action plans in key pressure areas in order to protect reserves and maintain financial resilience.
80. The key movements in the reserves include the use of the remainder of the Temporary Accommodation reserve to fund the 2025/26 growth required, welfare support activities described in paragraph 73 and the application of pooling receipts to assist in balancing the budget.
81. Whilst a number of these reserves appear to remain static, by the end of 2024/25 the forecast circa £9.4m overspend will have to be drawn down from a combination of these reserves. In addition, the future years' gaps currently projected in the MTFP are expected to be met through savings, income and funding changes and will therefore not require a draw upon reserves.
82. The General Fund Balance will be reviewed and the adequacy of this and earmarked reserves will be considered by the Council's S151 Officer in within the final budget proposal in February 2025. When assessing the adequacy of unallocated general reserves as part of budget setting,



consideration is given to the strategic, operational, and financial risks facing the authority.

**Table 10 – Summary of Forecast Reserves across the Medium Term**

<b>Reserve balances at:</b>	<b>31/03/24</b>	<b>31/03/25</b>	<b>31/03/26</b>	<b>31/03/27</b>	<b>31/03/28</b>	<b>31/03/29</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Risk Reserve</b>	<b>3.550</b>	<b>3.550</b>	<b>3.550</b>	<b>3.550</b>	<b>3.550</b>	<b>3.550</b>
Temporary Accommodation reserve	10.000	2.776	0.000	0.000	0.000	0.000
Collection Fund Pooling Reserve	4.524	4.200	1.500	1.500	1.500	1.500
NLWA Reserve	1.566	1.324	1.324	1.324	1.324	1.324
Meridian Water Reserve	1.429	0.929	0.787	0.787	0.787	0.787
<b>Sub-total MTFP Smoothing Reserves</b>	<b>17.519</b>	<b>9.229</b>	<b>3.611</b>	<b>3.611</b>	<b>3.611</b>	<b>3.612</b>
Adult Social Care Fund	7.658	0.000	0.000	0.000	0.000	0.000
Companies Reserve	1.032	2.180	2.885	3.958	4.418	4.804
Service Specific	7.678	6.313	3.320	2.852	3.040	3.029
Property	0.411	0.310	0.261	0.261	0.261	0.261
Grants & Other Contributions	19.043	11.267	8.642	8.391	8.149	7.678
Potential Risk Reserve drawdown 2024/25 indicative overspend at outturn		(9.430)	(9.430)	(9.430)	(9.430)	(9.430)
<b>Sub-total GF Usable Reserves</b>	<b>56.891</b>	<b>23.419</b>	<b>12.839</b>	<b>13.193</b>	<b>13.599</b>	<b>13.503</b>
Insurance	7.492	7.021	7.021	7.021	7.021	7.021
General Fund Balance	14.350	14.350	14.350	14.350	14.350	14.350
<b>GF Earmarked Reserves</b>	<b>78.733</b>	<b>44.790</b>	<b>34.210</b>	<b>34.564</b>	<b>34.970</b>	<b>34.874</b>

### **Risks and Uncertainties**

83. There are key inherent risks that are not unique to Enfield, and which most London boroughs will face in setting their budgets, although the level of risks for each can be very different:

- i. Uncertainty of Funding – the outcome of the provisional Local Government Finance settlement is not expected until the 19<sup>th</sup> December.
- ii. The Collection Fund forecast position for 2024/25, particularly the impact on collection following the changes made to the Council Tax Support Scheme.
- iii. The Council's Bad Debt Provisions are being reviewed for adequacy, the outcome of which may add to the cost pressures.
- iv. Whilst the Government has confirmed funding for the public sector impact of Employers NI increase, this is not the case for the supply chain and care providers.
- v. Macro-economic factors - assumptions are built into the MTFP for inflation and interest rates but these could change.
- vi. Energy Inflation.
- vii. Pay award (currently assumed at 2.5%).
- viii. Optimism bias on savings identified and capacity to deliver the volume of savings.
- ix. Demand increases beyond forecasted levels.

### **Fees and Charges**

84. As part of the annual budget setting process for 2025/26, the Council's traded services fees and charges have been reviewed. The review assesses the Council's current fees and charges to establish whether the service delivery costs are being covered by the charges set, considers whether income generation opportunities are being maximised, any impact on market share from proposed changes and benchmarks the proposals with other councils.
85. There is a continued focus on strengthening income streams to support the MTFP and the strategy has been to increase charges by 10% subject to case by case conditions. Most services are adopting this increase where the charges are locally controlled, with some exceptions where services look to build market share or hold position within the market.
86. The current charges for 2024/25 and proposed charges for 2025/26 for services provided are set out in Appendices F to J of this report with the main changes noted in the following paragraphs. Whilst there are some individual income proposals put forward within the £18.7m of new savings/income proposals, further work is underway to identify any further benefit from the increases to the fees and charges and an update will be provided in final budget report in February.
87. A new charge is proposed to be introduced in Education Services. It is a legal requirement for child actors to be chaperoned to sets. This is for a chaperone licensing service with charges applied for application of a licence and any amendments if required.
88. It is currently proposed to keep the garden waste charge of £100 unchanged for 2025/26.

89. A range of new charges are proposed under licensing, which included breeding dogs, dangerous wild animals, animals for exhibition and riding establishments.
90. The Town and Country Planning Regulations 2023 introduced an automatic, annual increase. This will increase planning fees annually, on 1 April each year, starting on 1 April 2025. All planning fees will be increased by the rate of inflation, as measured by the Consumer Prices Index from the preceding September, therefore from the 1<sup>st</sup> April 2025, the fees will increase by 1.7%.
91. It is proposed to continue with the arrangements that were first put in place for 2021/22 whereby individual services can amend the fees and charges where it is considered appropriate to do so during the coming year. To do so, services will work with finance and commercial services to determine and consider the market factors and propose amendments. These proposals will be reviewed by the Executive Management Team and then implemented via delegated authority to the Executive Directors in consultation with the relevant Cabinet Member.
92. The Statutory fees have been reviewed/updated to reflect the latest statutory fees and charges.

### **Next steps**

93. Executive Directors and their departments will continue to seek further new savings and income proposals to bridge the gap. Any proposals identified will be put forward in the February Cabinet report and individual consultation as appropriate.
94. The provisional Local Government Finance Settlement in December 2024 will provide the first confirmed allocations for Enfield of the funding changes that have been announced in the autumn budget and recent policy statement.
95. Following a period of consultation on the provisional settlement the final Local Government finance settlement is due in early February. The outcome of which will be reported along with any new savings proposals in the February cabinet report.

### **Preferred Option and Reasons for Preferred Option**

96. The Council has a statutory duty to approve a balanced budget for 2025/26 in February 2025 along with consideration of the finances over the medium term, and the Council's reserves. It is essential that there is a clear understanding of the anticipated income and expenditure flows for the Council, despite the uncertainties.
97. The report sets out how the proposals in this report have been developed to assist with the achievement of a balanced budget. Individual savings proposals will include an assessment of options where possible.

## **Relevance to the Council Plan and Strategies**

98. The primary purpose of the development of the Budget and Medium-Term Financial Plan is to direct resources to deliver the priorities set out in the Council's Plan 2023-26:
- Clean and green places
  - Strong, healthy and safe communities
  - Thriving children and young people
  - More and better homes
  - An economy that works for everyone
99. It is not possible for the Council to deliver on its ambitions for local people if these are not in place and the financial strategy is a key pillar on which success is built. As part of this, one of the principles of the Council Plan 2023-26 is financial resilience.

## **Financial Implications**

100. As set out in the body of the report.

## **Legal Implications**

101. The Council is under a statutory responsibility to set a balanced budget. Under Section 28 of the Local Government Act 2003 the council is required to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the council must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
102. Under Section 3 of the Local Government Act 1999, the Council, as a best value authority, must make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This Medium-Term Financial Plan is one of the ways in which the council can secure best value within its budget envelope.
103. Section 25 of the Local Government Act 2003 requires that when a local authority is making its budget calculations, the Chief Finance Officer of the authority must report to the Council on the robustness of the estimates made for the purposes of the settings and the adequacy of the proposed financial reserve.
104. Some savings proposals may only be delivered after specific statutory or other legal procedures have been followed and/or consultation has taken place and assessment of the equality implications where relevant.

105. Local Authorities have a wide discretion as to how to carry out a consultation, although there are clear guidelines from the authorities as to how a lawful consultation ought to be conducted. The leading authority is *R v London Borough of Brent ex parte Gunning* [1985] set down the four key principles of a fair consultation, commonly referred to as “the Gunning principles”. In summary, to satisfy the Gunning principles any consultation (1) Must be carried out at a time when proposals are still at a formative stage; (2) The proposer must give sufficient information for any proposal to allow for intelligent consideration; (3) Adequate time must be given for consultation and response; and (4) The product of the consultation must be conscientiously taken into account in making the decision.

### **Equalities Implications**

106. Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. It is important to consider the needs of the diverse groups with protected characteristics and other specialist characteristics already agreed by the Council to be considered alongside the protected characteristics when designing and delivering services or budgets so people can get fairer opportunities and equal access to services.
107. The Council aims to serve the whole borough fairly, tackle inequality and protect vulnerable people. The Council will promote equality of access and opportunity for those in our communities from the protected characteristic groups or those disadvantaged through socio-economic conditions.
108. The Council undertakes Equality Impact Assessment (EqIAs) to help make sure we do not discriminate against service users, residents and staff, and that we promote equality where possible.
109. An Equality Impact Assessment will be completed for individual budget/savings proposals. These assessments will evaluate how the proposal will impact on people of all protected characteristics and will identify alternative action or mitigating action where any adverse impact is identified. This will include consultation and engagement with affected people and organisations as appropriate.

### **HR and Workforce Implications**

110. Any proposal that is likely to impact on posts, structure changes and potential closure of services, will require the Council to conduct a meaningful and timely consultation with trade unions and staff. This will include consideration of alternative proposals put forward as part of the consultation process. The Council’s HR policies and procedures for restructures should be followed. Any consideration for staff structural changes should ensure there is a resilient workforce to deliver on-going service requirements. Therefore, consideration of workforce planning should be included in the process.
111. Where redundancies are necessary the appropriate HR policies and procedures will be followed. Redeployment options must be considered.

112. It is important that services engage with HR at the earliest opportunity.

### **Environmental and Climate Change Considerations**

113. There are no specific environment or climate change implications arising from this report at this time, these will be considered alongside savings and income proposals in future.

### **Public Health Implications**

114. The Council's core business is to maintain and enhance the wellbeing of the community; austerity and the financial climate is severely challenging its ability to do this. The MTFP outlines how the Council aims to meet its financial demands whilst minimising the effect of these pressures on the community. However, it is difficult to envisage how continuous cuts to the Council's budget will not impact upon its ability to support and maintain community wellbeing.

### **Property Implications**

115. There are no new specific property implications that arise from the proposals in this report. As savings and income proposals are considered, property implications will be considered as appropriate.

### **Safeguarding Implications**

116. None arising from this report. Where there are service reductions across all services including Adult Social Care and Children's Social Care, officers are working through these to ensure there is no impact on the Council's safeguarding duties for vulnerable adults and children in the Borough.

### **Other Implications**

#### **Council Priorities**

117. The priorities set out in the administration's manifesto include a number which are progressing within existing budgeted resources. Those priorities which incur additional financial commitments will be built into the medium-term financial plan as plans are brought forward but only within the available approved budget.

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

118. The Council faces an enormous financial challenge, and it is essential that the recommendations in this report to approve savings are implemented in order that the Council has a balanced and sustainable budget and is not subject to a potential Section 114 notice.

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

119. The report has sought to identify as many of the financial risks facing the Council at this time and where possible to also quantify them. Identification is one of the key steps in managing risk and this will be supplemented by regular review, there will be a further report to Cabinet in February 2025.

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Date of report: 18<sup>th</sup> December 2024

### **Appendices**

Appendix A	Medium Term Financial Plan Summary 2024/25 – 2027/28
Appendix B	Departmental Budget Build Up 2024/25 to 2025/26
Appendix C(i)	Departmental Savings and Income Proposals FYE Savings
Appendix C(ii)	Departmental Savings and Income Proposals – September Savings (revised)
Appendix C(iii)	Departmental Savings and Income Proposals – January Savings
Appendix D	Funding assumptions in the MTFP 2025/26 to 2029/30
Appendix E	Pressures in the MTFP 2025/26 to 2029/30
Appendix F	People Fees & Charges 2025/26
Appendix G	Environment & Communities Fees & Charges 2025/26
Appendix H	Resources Fees & Charges 2025/26
Appendix I	CEX Fees & Charges 2025/26
Appendix J	Housing & Regeneration Fees & Charges 2025/26

### **Background Papers**

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

Non Key: Quarter 2 2024/25 Revenue Forecast update Cabinet November 2024

KD5782: Tranche One Savings and Income Generation Proposals for 2025/26 Cabinet - September 2024

KD5683: Budget Report 2024/25 and Medium-Term Financial Plan (2024/25 to 2028/29) Council – February 2024

## Appendix A - Medium Term Financial Plan Summary 2024/25 – 2027/28

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
<b>Net Service Costs</b>	335,205	369,738	389,333	412,451
Growth - Previously approved by Full Council	13,550	17,657	13,516	14,661
Growth - New	18,222	12,709	3,601	(3,250)
Inflation - Previously approved by Full Council	9,674	5,251	8,232	5,643
Inflation - New	7,572	1,846	(1,052)	1,745
Funding Changes	761	0	0	0
Savings - Previously approved by Full Council	(1,544)	1,115	236	940
Savings - Unachievable and Reprofiled	2,866	(263)	0	(940)
Savings - New	(16,568)	(18,720)	(1,415)	700
<b>Total Funding Requirement</b>	<b>369,738</b>	<b>389,333</b>	<b>412,451</b>	<b>431,950</b>
<b>Core Grants:</b>				
- Revenue Support Grant	(22,133)	(22,487)	(22,849)	(23,238)
- New Homes Bonus	(55)	0	0	0
- Services Grant	(518)	(518)	(518)	(518)
- Improved Better Care Fund	(11,726)	(11,726)	(11,726)	(11,726)
- Social Care Grant	(27,758)	(27,758)	(27,758)	(27,758)
- Housing Benefit Admin Grant	(1,402)	(1,402)	(1,302)	(1,202)
- ASC Discharge Fund	(2,740)	(2,740)	(2,740)	(2,740)
- ASC Market Sustainability & Improvement Fund	(4,572)	(4,572)	(4,572)	(4,572)
- ASC MSIF Workforce Grant	(1,109)	(1,109)	(1,109)	(1,109)
- Public Health Grant	(19,029)	(19,029)	(19,029)	(19,029)
- Homelessness Prevention Grant	(9,136)	(9,136)	(9,136)	(9,136)
- Homelessness Prevention Grant top-up	0	0	0	0
- Rough Sleeping Initiative	(2,896)	(2,896)	(2,896)	(2,896)
<b>Core Grants</b>	<b>(103,074)</b>	<b>(103,373)</b>	<b>(103,635)</b>	<b>(103,924)</b>
<b>Business Rates</b>	<b>(101,533)</b>	<b>(102,868)</b>	<b>(101,852)</b>	<b>(103,587)</b>
<b>Council Tax:</b>				
- Council Tax - in year income	(164,118)	(172,307)	(172,307)	(172,307)
- Council Tax - Collection Fund deficit/(surplus)	(1,013)	0	0	0
<b>Council Tax</b>	<b>(165,131)</b>	<b>(172,307)</b>	<b>(172,307)</b>	<b>(172,307)</b>
<b>Total Funding</b>	<b>(369,738)</b>	<b>(378,548)</b>	<b>(377,794)</b>	<b>(379,818)</b>
<b>Budget Gap (Incremental)</b>	<b>0</b>	<b>10,785</b>	<b>23,872</b>	<b>17,475</b>
<b>Budget Gap (Cumulative)</b>	<b>0</b>	<b>10,785</b>	<b>34,657</b>	<b>52,132</b>





### Appendix C(i) – Departmental Savings and Income proposals 2025/26 to 2029/30 Full Year Effects of Savings agreed previously

Positive numbers are increases to the budget reflecting savings made in previous years which were one-offs

Department	Saving Category	Saving Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Chief Executive	Service Redesign	Pause the National Graduate Apprenticeship scheme		94				94
People - ASC	Efficiencies / Service Reduction	Reardon Court – Extra Care	(245)					(245)
People - C&F	Efficiencies / Service Reduction	Use of NCIL to substitute Youth Services funding for 1 year	180					180
People - C&F	Service Redesign	Deferral of Social Work Apprenticeship Scheme	128					128
People - C&F	Service Redesign	Graduate Trainee Scheme	(18)					(18)
People – Public Health	Efficiencies / Service Reduction	Public Health Grant Substitution	300					300
Environment & Communities	Income	Relet Marsh House meanwhile use (temp saving 2-3 years)	20					20
Environment & Communities	Service Redesign	Service Redesign savings – reversal of one-off arrangements	289					289
Environment & Communities	Efficiencies/ Service Reduction	Potential substitution of MW CIL community chest	358	142				500
Environment & Communities	Efficiencies/ Service Reduction	Saving of TfL traffic signal maintenance (one off)	40					40
Resources	Efficiencies / Service Reduction	Internal enforcement	(200)					(200)
		<b>Total FYE Savings &amp; Income Proposals</b>	<b>852</b>	<b>236</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,088</b>

## Appendix C (ii) – Departmental Savings and Income proposals 2025/26 to 2029/30

### September Savings (revised)

Department	Saving Category	Saving Description	One-off/ Permanent	2025/26 £'000	Future Years £'000
People	Income Generation	ASC Income maximisation	Permanent	(2,000)	
People	Demand Management	ASC Joint Brokerage	Permanent	(100)	
People	Income Generation	Additional income generated via shared services	Permanent	(20)	
People	Contract Management	Housing Related Support	Permanent	(300)	
People	Demand Management	ASC Demand Management	Permanent	(500)	
People	Efficiencies	Review of agency costs at Bridgewood House	Permanent	(100)	
People	Contract Management	Sexual Health Service	Permanent	(500)	
People	Changes in Service Delivery	Training & Development	Permanent	(30)	
People	Grant Substitution	Community Safety Projects	One-Off	(50)	50
People	Efficiencies	Enhanced Education Pensions	Permanent	(75)	
People	Grant Substitution	Special Educational Needs and Disabilities (SEND) Service (one-off 25/26)	One-Off	(75)	75
People	Income Generation	School Improvement & Early Years' Service Income	Permanent	(20)	
People	Grant Substitution	Children's Centre integration	Permanent	(150)	
People	Service Redesign	People Department – Service Redesign	Permanent	(276)	
CEX	Efficiencies	Reduction in 2025/26 Corporate Training budget (one-off)	One-Off	(30)	30
CEX	Efficiencies	HR Recruitment cost reductions	Permanent	(20)	
CEX	Income Generation	Schools' HR Income Generation (one-off)	One-Off	(20)	20
CEX	Income Generation	HR & OD HRA review	Permanent	(109)	

Department	Saving Category	Saving Description	One-off/ Permanent	2025/26 £'000	Future Years £'000
CEX	Income Generation	Governance Pension Fund income	Permanent	(10)	
CEX	Income Generation	Registrars: further income opportunities	Permanent	(20)	
CEX	Income Generation	Law & Governance HRA recharges	Permanent	(120)	
CEX	Service Redesign	CEX Department - Service Redesign	Permanent	(127)	
Resources	Contract Management	Resources contract review	Permanent	(500)	
Resources	Efficiencies	Channel shift (E notifications/ E summons/ E billing) & print/ postage reduction	Permanent	(100)	
Resources	Income Generation	Collection Fund: Collecting debt and increasing income	Permanent	(2,000)	
Resources	Income Generation	Increase Court cost income	Permanent	(100)	
Resources	Income Generation	Increase Deputyship fees and charges	Permanent	(10)	
Resources	Service Redesign	Resources Department - Service Redesign	Permanent	(500)	
Environment & Communities	Efficiencies	Reduction in Artists hospitality budgets	Permanent	(16)	
Environment & Communities	Efficiencies	Further efficiencies of purchasing arrangements for the Dugdale Arts Centre shop stock	Permanent	(16)	
Environment & Communities	Income Generation	Leisure services income growth e.g. increase in pool hire	Permanent	(75)	
Environment & Communities	Income Generation	Active Enfield Income growth	Permanent	(10)	
Environment & Communities	Income Generation	New leases in the rural estate	Permanent	(409)	
Environment & Communities	Income Generation	Commercial Waste Income	Permanent	(75)	

Department	Saving Category	Saving Description	One-off/ Permanent	2025/26 £'000	Future Years £'000
Environment & Communities	Income Generation	Increase in street works fines	Permanent	(30)	
Environment & Communities	Income Generation	Income from the roll-out of slow, fast & rapid Electric Vehicle (EV) charge points	Permanent	(100)	
Environment & Communities	Income Generation	Quieter Neighbourhoods - Bowes East and Edmonton Green	Permanent	0	(300)
Environment & Communities	Service Redesign	Environment & Communities Department - Service Redesign	Permanent	(1,416)	
Various	Income Generation	Other minor income proposals across Council departments	Permanent & one-off	(10)	5
		<b>Total New Savings &amp; Income Proposals – September Cabinet</b>		<b>(10,019)</b>	<b>(120)</b>

## Appendix C (iii) – Departmental Savings and Income proposals 2025/26 to 2029/30

### January Savings

Department	Saving Category	Saving Description	One-off/ Permanent	2025/26 £'000	Future Years £'000
People	Service Redesign	People - Service Redesign	Permanent	(166)	
People	Demand Management	Expanding in house day provision	Permanent	(200)	
People		Rationalisation of YP housing related support dispersed accommodation	Permanent	(100)	
People	Demand Management	Reduced placements from Hospital & strength-based approaches	Permanent	(150)	
People	Income Generation	Income maximisation for ASC clients	Permanent	(1,300)	
People	Contract Management	Review VCS contracts	Permanent	(100)	
People	Contract Management	Recommissioning – CAB	Permanent	(100)	
People	Contract Management	Recommissioning – Semi-independent provision	Permanent	(200)	
People	Changes in Service Delivery	Decommissioning Service JSDC	Permanent	(16)	
People	Contract Management	Reduction of commissioned Independent Domestic Violence Advisor service	Permanent	(45)	
CEX	Service Redesign	CEX Department - Service Redesign	Permanent	(41)	
CEX	Efficiencies	Insurance	One-Off	(200)	200
Resources	Service Redesign	Resources Department - Service Redesign	Permanent	(400)	
Environment & Communities	Service Redesign	Environment & Communities Department - Service Redesign	Permanent	(1,122)	(375)
Environment & Communities	Changes in Service Delivery	Keeping Parks Open 24/7	Permanent	(37)	

Department	Saving Category	Saving Description	One-off/ Permanent	2025/26 £'000	Future Years £'000
Environment & Communities	Income Generation	Hydroproject landscaping	Permanent	(600)	
Environment & Communities	Income Generation	Forty Hall Car Parking Fees	Permanent	(50)	
Environment & Communities	Income Generation	Forty Hall Marquee Hire for Events	Permanent	(20)	
Environment & Communities	Changes in Service Delivery	Forty Hall Biodiversity Net Gain (BNG)	Permanent	(100)	(100)
Environment & Communities	Income Generation	Fleet Commercial Income	Permanent	(50)	
Environment & Communities	Changes in Service Delivery	Street Scene Remodelling (fortnightly Sweep)	Permanent	(200)	
Environment & Communities	Changes in Service Delivery	Street Scene Remodelling (Weekend Resource Reduction)	Permanent	(80)	
Environment & Communities	Changes in Service Delivery	Street Scene Remodelling (Reduction of Weekday PM Shift)	Permanent	(100)	
Environment & Communities	Contract Management	Parking Contract Review	Permanent	(518)	
Environment & Communities	Contract Management	CCTV Centre to take on FM cameras	Permanent	(150)	
Environment & Communities	Income Generation	Introduction of Lane Rental Scheme	Permanent	(300)	(100)
Environment & Communities	Income Generation	London wide increase in PCN charges	Permanent	(188)	(563)
Environment & Communities	Income Generation	Introducing charges when parking bays are suspended due to works	Permanent	(57)	

Department	Saving Category	Saving Description	One-off/ Permanent	2025/26 £'000	Future Years £'000
Environment & Communities	Income Generation	Review of on street & off street parking tariffs	Permanent	(32)	
Environment & Communities	Changes in Service Delivery	Right Sizing Facilities Management for Customer Solution services	Permanent	(300)	
Environment & Communities	Income Generation	Legal & Property Fee Income	Permanent	(75)	
Environment & Communities	Income Generation	Updated printing infrastructure	Permanent	(50)	
Environment & Communities	Changes in Service Delivery	Simplification of communications strategy	Permanent		(25)
Environment & Communities	Changes in Service Delivery	Review of the Out of Hours service	Permanent	(50)	(50)
Environment & Communities	Efficiencies	SEN Transport TVI Project	Permanent	(438)	(45)
Environment & Communities	Efficiencies	HMO Licensing TVI Project	Permanent	(428)	(137)
Environment & Communities	Efficiencies	Improve recycling rates	Permanent	(122)	
Environment & Communities	Efficiencies	Changing to LED lighting in four corporate buildings	Permanent	(232)	
Corporate	Income Generation	Apply Right to Buy (RTB) receipts to the General Fund	Permanent	(300)	300
Corporate	Efficiencies	Review of contract payment profile for exchequer services supplier	Permanent	(84)	
		<b>Total New Savings &amp; Income Proposals – January Cabinet</b>		<b>(8,701)</b>	<b>(895)</b>



## Appendix D – Funding Changes 2025/26 to 2029/30

Department	Category	Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Corporate	Government Grant	Changes in New Homes Bonus grant funding	55					55
Corporate	Government Grant	Housing Benefit Admin Grant		100	100	100	100	400
	<b>Government Grant</b>	<b>Sub-total</b>	<b>55</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>455</b>
Corporate	Collection Fund	Collection Fund Surplus 24/25 - reversed out	1,013					1,013
	<b>Collection Fund</b>	<b>Sub-total</b>	<b>1,013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,013</b>
Corporate	Business Rates	Revenue Support Grant element of SFA	(354)	(362)	(389)			(1,105)
Corporate	Business Rates	NNDR Pooling Upside 24/25 reversed out	3,000					3,000
Corporate	Business Rates	NNDR Pooling Upside 25/26 (estimated)	(2,700)	2,700				0
Corporate	Business Rates	Increase in Retained Business Rates element of SFA (based on LG Futures analysis)	(1,635)	(1,684)	(1,735)	(1,787)	(1,823)	(8,664)
	<b>Business Rates</b>	<b>Sub-total</b>	<b>(1,689)</b>	<b>654</b>	<b>(2,124)</b>	<b>(1,787)</b>	<b>(1,823)</b>	<b>(6,769)</b>
Corporate	Council Tax	Council Tax Increases (4.99% increase in 2025/26)	(8,189)					(8,189)
	<b>Council Tax</b>	<b>Sub-total</b>	<b>(8,189)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,189)</b>
	<b>Grand Total</b>		<b>(8,810)</b>	<b>754</b>	<b>(2,024)</b>	<b>(1,687)</b>	<b>(1,723)</b>	<b>(13,490)</b>

## Appendix E – Pressures in the MTFP 2025/26 to 2029/30

Department	Category	Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Corporate	Pay Award	Pay Awards	4,894	4,993	5,092	5,194	5,298	25,471
Corporate	Pay Award	Catch up inflation from 2024/25 Pay Award	2,000					2,000
Corporate	Inflation	General inflation	1,257	1,985	2,084	2,188	2,254	9,768
Resources	Inflation	Inflation specifically for IT contracts	320	320	320	320	320	1,600
Environment & Communities	Inflation	Street Lighting energy price increase	95	98	101	104	107	505
Corporate	Inflation	Energy (Electricity, Gas & Water) Price Increases	196	202	212	223	230	1,063
People ASC	Inflation	Adult Social Care (ASC) Contract Inflation	4,745		1,059			5,804
People C&F	Inflation	Children's Contract Inflation	184					184
Resources	Inflation	Royal Mail postage inflation	5	6	6	7	7	31
	<b>Pay Award / Inflation</b>	<b>Sub-total</b>	<b>13,696</b>	<b>7,604</b>	<b>8,874</b>	<b>8,036</b>	<b>8,216</b>	<b>46,426</b>
People ASC	Demography	ASC Demographic Pressure and Transitions into ASC (all ages and complexity)	2,789	4,900	2,400	2,400	2,400	14,889
People C&F	Demography	Children's Social Care Demography: External Care Purchasing	6,192	2,000	2,000	2,000	2,000	14,192
Environment & Communities	Demography	Special Education Needs (SEN) Home to School Transport	350	350	350	350	350	1,750
Environment & Communities	Demography	SEN Home to School Transport catch up from 2024/25	150					150
	<b>Demography</b>	<b>Sub-total</b>	<b>9,481</b>	<b>7,250</b>	<b>4,750</b>	<b>4,750</b>	<b>4,750</b>	<b>30,981</b>
Corporate	Capital Financing	MRP, Interest and Treasury Management charges		4,240	3,680	(2,500)	(6,060)	(640)
	<b>Capital Financing</b>	<b>Sub-total</b>	<b>0</b>	<b>4,240</b>	<b>3,680</b>	<b>(2,500)</b>	<b>(6,060)</b>	<b>(640)</b>

Department	Category	Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Environment & Communities	Investment	Repairs and Maintenance budget shortfall (non-capital planned works)		150	150	150	150	600
Corporate	Investment	Invest to save scheme expenditure - Energy, Day centre expansion, recycling, and transformation	228					228
	<b>Investment</b>	<b>Sub-total</b>	<b>228</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>828</b>
Environment & Communities	Levies	NLWA increase to establish base budget to forecast levels	1,236	TBC	TBC	TBC	TBC	1,236
Environment & Communities	Levies	Use of Reserves to meet required NLWA budget	242	TBC	TBC	TBC	TBC	242
Corporate	Levies	Concessionary Fares – increased cost as journey volumes return towards pre-pandemic levels	1,440	1,306	1,345	1,202	1,171	6,464
	<b>Levies</b>	<b>Sub-total</b>	<b>2,918</b>	<b>1,306</b>	<b>1,345</b>	<b>1,202</b>	<b>1,171</b>	<b>7,942</b>
Resources	Pressures	Welfare payments and services	1,458					1,458
Resources	Pressures	Welfare Reserve Drawdown to fund welfare payments and services	(958)	958				0
Housing & Regeneration	Pressures	Temporary Accommodation Budget Pressure	2,789					2,789
Housing & Regeneration	Pressures	Temporary Accommodation Drawdown from Reserve	(2,789)	2,789				0
Environment & Communities	Pressures	Repairs & Maintenance	700					700
Environment & Communities	Pressures	Investment Property income	549					549
People Education	Pressures	SEN Restructure	409					409

Department	Category	Description	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Environment & Communities	Pressures	Barrowell Green - reduction in operating hours - savings deliverability	200					200
Environment & Communities	Pressures	Mortuary Charges	25					25
Environment & Communities	Pressures	Morson Road Rent	163					163
Resources	Pressures	Housing Benefit Subsidy Loss Supported Accommodation	7,163					7,163
CEX	Pressures	General Fund Insurance Contract (increase in Insurance Premiums)	313					313
Environment & Communities	Pressures	Realign rental income budgets following sale of assets to generate capital receipts	235					235
People C&F	Pressures	Care Leavers	200					200
CEX	Pressures	10% increase in Court Fees (Legal Services)	20					20
Environment & Communities	Pressures	Palace Gardens Car Parks loss of income due to the proposed lease	383					383
Environment & Communities	Pressures	No alternative funding has been found to cover the festive lighting costs	140					140
Environment & Communities	Pressures	Relet rather than sell John Wilkes House and Charles Babbage House	140					140
	<b>Other Pressures</b>	<b>Sub-total</b>	<b>11,140</b>	<b>3,747</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,887</b>
	<b>Grand Total</b>		<b>37,463</b>	<b>24,297</b>	<b>18,799</b>	<b>11,638</b>	<b>8,227</b>	<b>100,424</b>