

## Budget Summary

### Have your say on the 2022/23 Budget

#### Summary

We are having to manage our financial position in exceptionally challenging and uncertain times. Our funding is under considerable strain due to:

- **Decrease in income from taxes:** income from both council tax and business rates was adversely affected by the Covid-19 pandemic with substantial numbers of residents on furlough struggling to pay council tax and greater numbers requiring Council Tax Support. Modelling is currently being undertaken to assess the extent to which these income streams have bounced back from the impact of the pandemic and this will be built into the Medium Term Financial Plan (MTFP).
- **Limited government funding:** the October Spending review announced £1.5bn of new grant funding. The Provisional Local Government Finance Settlement confirmed Enfield's share of this new funding at approximately £9m. Also announced was funding for Social Care reforms to address the Government's introduction of a care cap. This funding amounted to £3.6bn for local authorities over the next 3 years but this is back loaded with only £162m of the total being given in 2022/23 of which Enfield will receive £0.877m. There will be additional responsibilities for the Council, so this funding is assumed to be fully used.
- **Growing pressure for demand-led services:** we are planning for a growth in spend of £21.905m (excluding the Covid-19 reversals credit of £13.894m) which creates a significant funding gap. This increase is due to inflation and growing pressure for services like Children's Social Care, Adult Social Care, Special Educational Needs Transport and Housing.
- **Ongoing impact of Covid-19 crisis:** our expenditure increased in ways we had not planned for during the first phase of the pandemic as we acted fast to provide essential support to people impacted by the national lockdown and make changes across the borough to keep staff and residents safe. We anticipate the pandemic will have an ongoing impact on service provision and also income levels. £6.339m of Covid pressures are being funded from the Covid Reserve in 2022/23 but this funding is not ongoing so any pressures persisting beyond 2022/23 will need addressing if no further Government funding is forthcoming.

Within the October Cabinet report and the January Leader of the Council Decision, new savings and income generation proposals totalling £14.869m over the next 5 years have been put forward for agreement. This is a very demanding savings target after a decade of austerity as well as the ongoing impact of the pandemic.

There is currently a budget gap over the 5 year MTFP period of £41.083m which will require further savings to be found in future years. Information on the savings proposals put forward for the 2022/23 budget setting process, and which we are consulting on now, is available in our savings proposals document.

Please have a look at these proposals and tell us your views by completing our questionnaire.