

Have your say on the 2021/22 Budget (phase 1) 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:** we are facing a £6m loss in tax collection, with a 167% increase in the number of Enfield residents claiming unemployment benefit, and 50,000 of our residents being on furlough
- **No growth in government funding:** It is uncertain whether the government will provide additional financial support to local councils, as the Autumn Statement was cancelled due to the Covid-19 crisis. We are therefore assuming that there will be no growth in government funding to help us balance our budget for 2021/22
- **Growing pressure for demand-led services:** We are planning for a growth in spend of £18.397m which creates a major funding gap. This increase is due to inflation and growing pressure for services like Children's Social Care, Adult Social Care and Housing which we set out in our Medium Term Financial Plan agreed in February
- **Continued 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 on-going impact on service provision and also income levels, which we estimate will be £4m

Overall, the total pressure on 2021/22 amounts to £30.872m which is extremely challenging after ten years of austerity as well as the current impact of the pandemic. If the Covid-19 Pandemic had not happened, we would only be looking to make a further £1.715m of savings in 2021/22 in addition to the £10.065m already proposed. However, to deal with the significant difference between our income and expenditure, we need to make savings of £18.117m in 2021/22 – and we will need to make further savings in future years too, to cover the gap.

In October, we reviewed our financial forecasts and the Council's Cabinet agreed to proposed savings of £10.065m. Information on these proposals is available in our [savings proposals document](#).

Please have a look at these proposals and tell us your views by completing our [questionnaire](#).

More information on the our budget

If you would like further information on our budget, please click on the links below.

[Budget Strategy](#)
[Quarter One Revenue Monitoring Report](#)
[Medium Term Financial Plan 2021/22 to 2025/26](#)

Next Steps

Due to the tough financial position the budget process is an all year-round exercise. A rolling five-year Medium Term Financial Plan (MTFP) is agreed each year and is continuously evolving based on emerging pressures across the Council, changes in funding levels and savings which are identified each year.

An initial update of the MTFP and the budget for 2021/22 was considered by Cabinet in October 2020 including the first round of savings proposals. A further update is being taken to Cabinet in December 2020 with an additional round of savings proposals to be considered. The final budget is then to be recommended by Cabinet and formally approved by full Council in February 2021. It is a statutory requirement for us to set a balanced budget.

Additionally, we are lobbying the Government for additional funding to more fully reflect the cost pressures faced as a result of Covid-19.