

MUNICIPAL YEAR 2006/2007 REPORT NO. 160

MEETING TITLE AND DATE:

Cabinet 22nd Nov 2006

AGENDA PART 1

ITEM 6

**Revenue Monitoring Report
September 2006**

REPORT OF:

Director of Finance and
Corporate Resources

**Cabinet Member consulted:
Councillor Michael Lavender**

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1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position for 2006/07 based on information to the end of September 2006. The report indicates a potential overspend within departmental budgets of £422k that is offset by a corporate saving of £1,174k within Treasury Management leaving an overall potential underspend on the budget of £752k.
- 1.2 The report also identifies a number of other corporate pressures, including those associated with the liquidation of Enfield Leisure Centres Ltd, additional costs associated with the Benefits service and the potential non-achievement of planned procurement savings. These pressures will result in the contingency being fully committed in the current year.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 Cabinet notes the potential net underspend set out in the report and the commitments against the central contingency;

3. BACKGROUND

- 3.1 The Council's revenue expenditure against budget is monitored via the regular monthly monitoring reports to Cabinet. These reports provide a snapshot of the revenue position for each department and for the Council as a whole, and provide details of any projected additional budget pressures.
- 3.2 The Revenue Monitoring Report is a result of the monthly monitoring process carried out by the individual departments, which encompasses the following principles in order to ensure accuracy, transparency and consistency:
- The monitoring is based on risk assessments to enable greater emphasis to be placed on high-risk budgets throughout the year.
 - Comparisons are made between expenditure to date, current budgets and budget profiles.
 - Expenditure is predicted to the year-end, taking account of seasonal fluctuations and other determinants of demand.
 - The 'Key Drivers' that affect, particularly, the high-risk budgets are monitored and reported to Department Management Teams.
 - Action plans to deal with any areas that are predicting or experiencing problems staying within agreed budgets are produced.

Departmental Variances

- 3.3 The September monitor is showing a potential overspend of £422k on Departmental budgets. The main reasons for the expenditure variations reported to date are set out below:

Health and Social Care : £484k Potential Underspend

Details of the projected underspend within Health and Social Care are set out in paragraph 5.1.

Education, Children's Services and Leisure: £23k Potential Underspend

The projected underspend within Education, Children's Services and Leisure is due to a number of variances across the department that are listed in more detail in Paragraph 5.3

Environment, Street Scene and Parks – £598k Potential Overspend

The overspend in Environment, Street Scene and Parks mainly relates to the increase in costs for bulk waste collection and a loss of income due to a reduction in the number of parking penalty charge notices being issued this year. (Paragraph 5.4)

Finance and Corporate Resources: £89k Potential Underspend

The projected underspend within Finance and Corporate Resources refers to the projected over achievement of rental income from industrial estates (£250k) partially offset by potential additional costs of the Corporate Procurement Team and under achievement of income under the proceeds of crime act. (paragraph 5.5). It should be noted that the potential additional cost of the Procurement Team is being addressed as a corporate item.

Chief Executive's Department: £420k Potential Overspend

The potential overspend in the Chief Executive's Department primarily refers to additional staffing costs at the Customer Service Centre (paragraph 5.6).

- 3.4 Although overall this monitoring report is showing an underspend against budget, this is a result of strong Treasury Management Performance. It is a matter of concern that costs in some departments are still not being contained within budget. However it should be noted that the projected overspend on department budgets has reduced from £917k to £422k
- 3.5 As reported last month, it should be noted that there are indications that the Treasury Management will continue to generate higher than anticipated net income in the current year. This is due to favourable interest rates and a higher than estimated cash flow. Given the effect of volatility in both cash flow and interest rates, the projections of income from Treasury Management are estimated with an emphasis on prudence rather than optimism. This has stood the Council in good stead in recent years. See paragraph 6.1 for more detail.
- 3.6 As reported last month the financial difficulties of Enfield Leisure Centres Ltd will result in significant additional costs for the Council in the current year. As a result of this and other items it is likely that the general contingency will be fully committed in 2006/07. (see paragraph 6.2)
- 3.7 It should be noted that, although the report discloses a potential net overspend against departmental budgets in the current year and that a significant call on the Council's general contingency will be required, the Council's financial position remains strong.

4. SEPTEMBER 2006 MONITORING - GENERAL FUND

- 4.1 A summary of the variances to budget in the monitoring position is shown in the table below:

Table 1: Budget pressures at 30th September 2006

| | Aug £'000 | Sep £'000 | Variance £'000 |
|--|----------------------|----------------------|---------------------------|
| Health and Social Care | (358) | (484) | (126) |
| Performance, Partnership and Policy | (28) | 0 | +28 |
| Education, Children's Services and Leisure | 33 | (23) | (56) |
| Environment, Street Scene and Parks | 668 | 598 | (70) |
| Finance and Corporate Resources * | 165 | (89) | (254) |
| Chief Executive | 437 | 420 | (17) |
| Sub total | 917 | 422 | (495) |
| Other GF items: | | | |
| Treasury Management | (1,000) | (930) | +70 |
| Contingent Items | 0 | (244) | (244) |
| Sub total – other | (1,000) | (1,174) | (174) |
| Total budget pressures/ (savings) | (83) | (752) | (669) |

* This includes the projected additional cost of the Procurement Team; this is being addressed as a corporate item.

Details of the budget pressures and variations can be found in sections 5 and 6 of this report.

- 4.2 The Council's budget includes a general contingency of £1,000k to deal with unforeseen events and a number of contingent items that total £3,478k. As noted above and in paragraph 6.2 it is likely that the contingency will be fully committed this year. The contingent items relate to spending requirements that are expected to arise at some point during the current financial year, but about which there is some uncertainty regarding the timing of the financial impact. The likely need for these items will be closely monitored throughout the year.

5. SERVICE GROUP MONITORING INFORMATION – BUDGET PRESSURES

5.1 Health and Social Care – Projected £484k Underspend (Movement since August report: -£126k)

The position relating to Health and Social Care is detailed below.

5.1.1 Community and Housing Services

Community and Housing Services is projecting an underspend of £484k at the end of September 2006.

The underspend has increased since August because the cash limit for 2006/07 was increased by £250k for the anticipated loss of the Homeless grant however the grant is continuing in 2006/07. This increase in the projected underspend is offset by slightly less rent income (£113k) than expected on PSL accommodation; this is currently being reviewed but is mostly due to an increase in the level of voids.

As previously reported the HALS (Housing Association Lease Scheme) is projecting an underspend of £265k, this is because of fewer properties and is in line with the 2005/06 outturn. There is also a projected underspend of £90k on emergency accommodation and an underspend of £40k is projected on the furniture storage budget. These underspends are partially offset by a projected overspend on the Homefinder scheme of £45k.

The numbers overall in all types of temporary accommodation have increased from 3,001 at the end of August to 3,003 at the end of September.

5.1.2 Adult Social Services

The overall budget position for Adult Services is expected to balance by the end of the financial year. This will be achieved through the allocation of specific grant funding in accordance with relevant grant regulations together with the use of the departmental provision for care purchasing pressures. This provision is managed by the Director of Health & Social Care for allocation on a prudent basis where care purchasing pressures cannot be resolved through expenditure curtailment or additional income.

Material variances within the Adults Social Services Budget are described below:

Older People

Externally purchased home care for older people is projecting an overspend of £655k, previously £670k. This continues to be driven by growth in activity levels between the setting of the budget for the current year of 9,040 average hours per week, and early projections of 9,970 average hours per week (an increase of 30 hours per week since

August). This overspend will be offset through the allocation of the Department's centrally held provision for care purchasing pressures.

Disabilities

There is a £270k potential overspend on Learning Difficulties and Physical Disabilities Assessment & Care Management staffing. Actions are currently being identified to address this position, and a reduction in agency social work staff and managers from 30% to 10% will be achieved by the end of the financial year.

Learning difficulties care purchasing is projecting an underspend of £254k this month. This is largely due to a reduced requirement for agency day care provision.

People with no recourse to public funds are driving a £90k overspend for Physical Disabilities. This overspend will be offset by allocation of the Department's centrally held provision for care purchasing pressures.

Mental Health

This service is projecting a break even position. This is a deterioration on the net position reported for August (£120k underspend), mainly due to an increase in the projected supported tenancy expenditure.

Adult Social Services Risks

Increased home care demand for clients with physical disabilities is a continuing pressure during the current year. Demand not currently included in projections is likely to exceed £75k.

Adults with no recourse to public funds have been an emerging pressure over the last few years. There is potential for further increases beyond the budget provision again in 2006/07.

The decommissioning of Supporting People schemes could result in an increase in costs to Adults Social Services, particularly within Mental Health where maximum costs are expected to be around £250k.

The pressures and risks identified above are consistent with those examined during the MTFP and budget setting processes, where it has been acknowledged that 2006/07 will require another year of sustained and effective financial management to deliver the balanced position envisaged.

The department will continue to make every effort to contain its spending pressures. The provision (£1m) set aside in the current year's budget as a departmental contingency to cover care purchasing pressures will be used as necessary to offset the pressures described above.

5.2 **Performance, Partnership and Policy – Projected level spend (+£28k movement since August)**

Performance, Partnership and Policy is projecting a level spend at the end of September.

The housing benefit subsidy budgets remain volatile. A preliminary review of the budgets for the September monitor suggests that despite increases in the amount of benefits being paid by the Council, net expenditure will be contained within budget. However, it must be noted that further work is needed to confirm the level of overpayments and bad debt provisions.

5.3 **Education, Children's Services & Leisure –Projected £23k Underspend (Movement since August report; -£56k)**

With the introduction from April 2006 of the ringfenced schools budget funded by the Dedicated Schools' Grant, the financial monitoring of the ECSL Department is now separated into the schools' budget and the department budget. The Schools' Budget variance described below is not included in the overall revenue variance as this is in relation to the ring-fenced Dedicated Schools' Grant.

Schools' Budget

As first reported in the May monitor, the reduction in the amount of Dedicated Schools' Grant (DSG) for 2006/07 of £195k will be met from the School Budget contingency resulting in no overall increase in spending.

There is a net underspend in the SEN budgets of £316k due to the reduced cost of out-borough placements being made. The underspend previously reported has increased this month by £9k.

Due to the higher than anticipated numbers of 3 year olds in private and voluntary sector nurseries the nursery education grant is projected to overspend by £99k. The projection is based on the grant paid for the first two terms, and projected for a full year.

The expansion of Highlands School to eight forms of entry and the extension of the buildings gave rise to an increase in the unitary charge of £50k. In addition a one-off contingency payment of £95k will be made to Highlands school subject to the agreement of a robust recovery plan.

Under our local formula, schools are entitled to 97% cash protection to their previous years budget. £28k has been allocated to DeBohun schools in relation to this. A further £42k has been allocated to Cuckoo Hall school for a new class in September 2006.

A number of school rateable revaluations have resulted in additional expenditure of £28k.

A saving of £46k has been identified within the Traveller's budget, primarily due to a vacant post.

Any Schools' budget over or underspends will be carried forward to next year's DSG in accordance with DfES grant regulations.

ECSL Department Budget- Projected Underspend -£23k

ECSL Department are projecting an outturn position of £23k underspend at this stage, a reduction of £56k on the figure reported last month.

Material over and underspends within the department are described below:

- The Youth Offending Service is reporting an overspend (£121k) due to the need for additional staffing whilst various staffing issues are resolved and to ensure a satisfactory level of service.
- Social work costs within the Children in Need and Looked after Children teams are projecting an overspend amounting to £431k as a result of the need to employ additional agency staff cover to maintain a safe service.
- The Section 17 Prevention of Care budget is predicting an overspend of £164k due to the rise in costs associated with families who have no recourse to public funds.
- The Section 20 budget for additional support and contact costs for Looked After Children is predicting an overspend £188k due to higher than expected parent/child contact costs imposed by the Courts.
- Family Centres are projecting an underspend of £104k in the employee costs budget as a result of planned vacancies and taking longer to appoint permanent staff.
- The external care purchasing budgets are showing a net underspend (-£777k), of which £527k is due to lower activity and £225k is due to lower placement costs. The projections are based on current committed and planned placement costs and exclude any projections for new placements, which may arise during the remainder of the year. A £25k grant has also been received from Aids Support.
- The Cheviots Children's Disability Service is predicting an overspend of £51k due to pressures on transporting children, translation and interpreting and the short break care scheme.
- A review of the Standards Fund has indicated that a Council contribution of £118k will not be required.

ECSL Department Budget - Risks

General – In previous reports the figures did not include those relating to the non-achievement of the department's salary vacancy factor as it was felt too early in the year to determine the extent to which the target will be achieved overall. It is now considered prudent to include 50% of this sum

in the variances reported in this report. The remaining 50% is still excluded and projections from the service managers on their monitoring returns indicate that there could be additional overspends of approximately £116k if there is not an increase in the number of vacancies during the remainder of the year.

External Care Purchasing - The forecasts are showing a net underspend of £777k. The projections are based on current committed and planned placements. This is a dynamic budget and it is difficult to project with any certainty how long placements will last as events may well dictate that a change to a more expensive placement will be required at some stage during the year. The projections currently exclude £420k for these possible new placements.

Section 20 Additional Placement Costs – Whilst significant improvements to the financial monitoring process are being implemented it is still difficult to forecast the outturn for this budget. Projections are currently based on known client needs, but it is possible that this could increase by up to £200k if current spending trends continue.

Section 17 Prevention of Care – This budget is facing a growing pressure from families with no recourse to public funds. We are currently supporting 15 families who are projected to cost £181k. If the current trend of one new family per month continues this could add a further £37k to the year end.

PFI - There is a contractual dispute with the PFI provider, which could result in additional costs to the Council. Following a meeting in August the PFI provider indicated that they would not seek to resolve the dispute through mediation.

5.4 Environment, Street Scene & Parks – Projected £598k Overspend (-£70k Movement since August report)

The Environment, Street Scene and Parks Department is currently projecting to overspend by £598k against budget. This is a £70k reduction in the level of overspend from the August monitoring report.

The department is still projecting adverse variances on pressures previously identified as summarised below:

The cost of bulky waste collections was reported in the August Monitoring Report as £120k. A thorough review of spend against waste budgets has taken place in line with the Action Plan reported last month. This has identified potential savings in running costs of some £70k, reducing the potential overspend on waste services from £120k to £50k. Further on-going work is taking place in order to reduce this deficit even further and the results will be reported in future monitoring reports.

As previously reported there has been a considerable reduction in the number of parking penalty notices issued during the early months of the year and reduced income due to a number of other factors including road

works, in particular, the Enfield Town development, which restricted the ability of the Council's parking enforcement contractor to enforce parking restrictions within the town centre. The total predicted parking budget shortfall remains at £500k. This position is being closely monitored.

There is a previously reported potential shortfall in income of £20k from the MOT service, due mainly to the introduction of new regulations that have increased the time taken to carry out MOT tests.

As reported in the August Monitoring Report there is a potential overspend of £28k in Parks, mainly due to the cancellation of the Pageant and four funfairs owing to poor ground conditions following severe inclement weather earlier in the year. Budgets for the Parks service have been completely restructured and are being reviewed and closely monitored in the light of the latest projections of expenditure and income. There are indications of a decline in income particularly for the golf course and the impact of this on the budget is being carefully assessed and appropriate action will be taken. No assumption is currently made as to a shortfall other than the £28k as the Department will take action to contain the net service expenditure within overall cash limit.

5.5 Finance and Corporate Resources – Projected £89k Underspend (Movement since August report -£254k)

The Finance and Corporate Resources Department is reporting an underspend of £89k a movement of -£254k since the August monitoring report.

As previously reported, there continues to be a shortfall in land charges income (£135k). However, this is fully offset by a projected additional income from Registration Services and citizenship ceremonies. In addition, rental income from the Council's industrial estates is expected to exceed the budget by £250k.

There are, however, other pressures facing the department resulting in a net underspend of £89k. In particular, this refers to net unachievable income of £68k under the proceeds of crime act arising from fraud investigations. Such income can only be recognised once a court award has been made and there is reasonable certainty over the sums involved. It is unlikely these conditions will be met in the current year given the lengthy legal proceedings involved in such cases.

In addition, there is a potential overspend in the region of £100k on the cost of the Corporate Procurement Team based on current expenditure levels. However, action is being taken to formalise the structure of the team to contain costs. Progress will be reported in future monitors. This being addressed as a corporate item.

5.6 Chief Executive's Department – Projected £420k Overspend (Movement since August report -£17k)

The Chief Executive's Department are reporting a potential overspend of £420k for September.

The overspend primarily relates to additional staff costs within the Customer Service Centre of £395k, as previously reported.

The employee costs overspend across Human Resources previously reported (£42k) has now been offset by a number of emerging underspends, so no overall variance is now expected. There is however a projected under recovery of income from in house staff training courses (£25k), as it has not been possible to implement the planned increase in the rate of charge (reported amber as part of the Redirections Monitoring Schedule).

6. OTHER GENERAL FUND ITEMS

6.1 Treasury Management – Projected additional income £930k (Movement since August report +£70k)

As reported in previous monitoring reports, when the budget was set interest rates were expected to fall during 2006/07. Since then interest rate movements have reversed due to concerns over inflationary pressures and this is expected to result in additional interest being earned on the Council's balances. The recent quarter percent increase in the base rate from 1st August has resulted in further interest receipts of £300k; the overall increase in interest expected to be earned on Council balances is £774k for the year. Members should note that because the Council's debt is all at fixed rates it is not exposed to increases in interest rates on its borrowings. As a consequence, rising interest rates benefit the Council.

In the first half of the financial year, the Council's overall cash balances have also been more buoyant than were expected, resulting in additional income generation of £126k.

As previously reported an ongoing saving has been identified on the repayment of premiums of £100k. This saving will also be built into the Council's medium term financial plan.

Following a re-alignment of budgets bank charges are now shown corporately. A £70k overspend is predicted on debit and credit card charges. This reflects the introduction of an e-payments service for customers so that they are able to make payments via the internet or the Customer Services Centre. This facility is proving to be very popular with customers but the Authority has incurred additional bank charges as a result. The Treasury Team are actively pursuing a reduction in these charges with the Bank.

6.2 Contingency and Contingent Items – Projected Unallocated Provision -£244k

The Council's budget includes a general contingency of £1,000k to deal with unforeseen events and as a general safeguard against the risk of a general overspend. As noted in last month's monitor two significant issues are likely to result in calls on the 2006/07 contingency:

- The implementation of the Pericles system for benefits:

Additional costs have been incurred as a result of delays in the implementation of the new system and the employment of temporary staff to address the backlog of cases that arose during the implementation and to ensure that the high performance standards of the benefits service were maintained. CMB has recommended that these costs be funded from central contingency. A report is being prepared proposing that additional funding is allocated to the service. The extent of the additional funding is still being quantified.

- ELCL Liquidation

On September 1st a decision was taken by the leader of the Council to underwrite the current deficit in the finances of ELCL to the extent necessary to allow the board to enter into a solvent liquidation (the ELCL Board voted accordingly on 4th September). This decision was taken in the interest of safeguarding the Council's assets and its financial position, and in order to ensure that services continue to be provided to the public. The cost of implementing this decision could be around £1m including fees. The ongoing implications of the ELCL liquidation will be addressed as part of the 2007/08 budget process and the review of the medium term financial plan

The net result of these issues is that the 2006/07 contingency will be fully committed and, given the potential costs involved, it may be necessary to draw on other balances or reserves.

In addition, there are a number of contingent items that relate to spending requirements that are expected to arise at some point during the current financial year, but about which there is some uncertainty regarding the timing of the financial impact.

Members should note that there are particular concerns in the following areas:

- The use of NRF funding to support the cost of the sustainable communities team will not be achieved, resulting in a call on the provision for the part year effect of reductions and redundancies. An allocation of £194k is proposed to address this issue.
- The achievement (in full) of the planned procurement savings looks increasingly unlikely. Work to validate the savings achieved to date has not yet been completed but will be reported in a future monitoring report.

The table below summarises the current position regarding contingency

and contingent items and includes further allocations that are expected to be made during the remainder of the year.

Table 2: Contingency and Contingent Items

| | Contingency £'000 | Contingent Items £'000 |
|--|-----------------------------|--------------------------------------|
| Original Budget 2006/07 | 1,000 | 3,478 |
| Approved Allocations | | (1,607) |
| Unallocated Provision at 30.09.06 | 1,000 | 1,871 |
| Other Allocations Expected to be required in 2006/07: | | |
| Support for Leisure Services and Benefits Administration | (1000) | |
| Abandoned Vehicles | | (100) |
| Loss of Rental Income | | (275) |
| Part yr effect reductions and redundancies | | (500) |
| Regeneration match funding | | (100) |
| Local Development Framework | | (250) |
| BIC Liquidation | | (105) |
| Customer Service Centre | | (200) |
| First Aid payments | | (20) |
| New Civic Facility – running costs | | (42) |
| IT Developments | | (139) |
| Revenue Implications - Capital Schemes | | (40) |
| Procurement IT | | (146) |
| Enfield Arts Partnership PCF | | (125) |
| Statutory Development Plan PCF | | (131) |
| Abandoned Vehicles PCF | | (50) |
| Corporate Procurement Savings | | 528 |
| Other | | (176) |
| Agency staffing rebate* | | (244) |
| Projected Unallocated Provision | 0 | (244) |

*There is a £244k rebate on agency staff as a result of the new agency contract with Adecco and Matrix. This rebate is to be shown as a corporate saving

**7. HOUSING REVENUE ACCOUNT (HRA): - Projected £182k underspend
*Movement since August -£202k***

An underspend of £182k is projected for 2006/07. This relates to a reduction in the amount projected for negative subsidy payable to the Department of Community & Local Government (DCLG) of £296k due to the reworking of subsidy figures and changes to the subsidy formula from 2006/07.

There is likely to be an under-recovery of approximately £60k on deductions from capital receipts from the sale of Council houses due to changes to the rules on the treatment of expenses as overheads. There is also a projected overspend on the payment of early retirement costs (£34k).

The repairs budget is at present volatile. Responsive repairs are projecting a significant increase in expenditure. This is offset by a corresponding underspend on planned repairs. It is currently anticipated that the service will be within budget at the end of the year.

As previously reported there is a reduction in the estimated amount needed to contribute towards the HRA bad debt provision (-£100k) offset by an overspend on private hotel charges (+£180k) .

An additional £60k is expected from interest on HRA balances.

8. ACHIEVEMENT OF SAVINGS

- 8.1 The Budget 2006/07 and Medium Term Financial Plan report approved by Cabinet on the 22nd February 2006 included efficiency and other savings of £11.7m to be made during the 2006/07 financial year rising to £14.0m by 2010/11.

A monitoring report on the achievement of these savings is submitted to CMB on a regular basis; the report identifies the proposed savings, comments on progress in implementing the saving and classifies each item as green, amber or red. Green signifies that the redirection is on target for full implementation; if implementation issues have been identified, but the redirection is likely to be achieved, it is classified as amber; and if there is a serious problem it will be given a red classification. As part of the July Redirections Monitoring exercise the 2006/07 savings were profiled over the four quarters of the year. This now allows budget holders to highlight at an early stage potential problem areas in implementing these programmed budget reductions. A summary of the areas where there is concern as to the achievement of the saving, i.e. an amber or red traffic light is shown in **Appendix H**.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 Not applicable to this report.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To ensure that Members are aware of the projected budgetary position for the Authority, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.

11. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

Financial Implications

- 11.1 Financial implications are implicit in the body of the report.

12. Legal Implications

- 12.1 The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

13. PUTTING ENFIELD FIRST

- 13.1 The report contributes to Objective (5b) – To deliver sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management through the organisation.

Monitoring Statement for September 2006

| | Original Budget £000s | Approved Changes £000s | Approved Budget £000s | Projected Outturn Sep £000s | Projected Variation Sep £000s | Appendix |
|--|--------------------------|---------------------------|--------------------------|-----------------------------------|-------------------------------------|----------|
| Health and Social Care | 65,288 | 268 | 65,556 | 65,072 | (484) | A |
| Performance, Partnership and Policy | 11,514 | 53 | 11,567 | 11,567 | 0 | B |
| Education, Children's & Leisure Services | 71,414 | 1,522 | 72,936 | 72,913 | (23) | C |
| Environment, Street Scene & Parks | 35,898 | 4,190 | 40,088 | 40,686 | +598 | D |
| Finance and Corporate Resources | (2,011) | 1,571 | (440) | (529) | (89) | E |
| Chief Executive | 9,095 | 136 | 9,231 | 9,651 | +420 | F |
| Corporate and Democratic Core | 5,911 | 0 | 5,911 | 5,911 | 0 | E |
| Total Department Budgets | 197,109 | 7,740 | 204,849 | 205,271 | +422 | |
| Treasury Management | 6,170 | 0 | 6,170 | 5,240 | (930) | |
| Cont from Capital Financing Account | (11,401) | 0 | (11,401) | (11,401) | 0 | |
| Contribution to Bad Debt Provision | 812 | 105 | 917 | 917 | 0 | |
| One Off Expenditure | 4,090 | (450) | 3,640 | 3,640 | 0 | |
| Contribution to/from Reserve | (3,462) | (4,141) | (7,603) | (7,603) | 0 | |
| Recycling credits | 0 | (1,647) | (1,647) | (1,647) | 0 | |
| IT Fund | 644 | 0 | 644 | 644 | 0 | |
| Contingency | 1,000 | 0 | 1,000 | 1,000 | 0 | |
| Contingent Items | 3,478 | (1,607) | 1,871 | 1,627 | (244) | |
| Total Service Expenditure | 198,440 | 0 | 198,440 | 197,688 | (752) | |
| Levies | 7,821 | 0 | 7,821 | 7,821 | 0 | |
| TOTAL Budget Requirement | 206,261 | 0 | 206,261 | 205,509 | (752) | |

Health and Social Care

| DESCRIPTION | THIS YEAR ORIGINAL BUDGET | APPROVED VARIATIONS | THIS YEAR APPROVED BUDGET | PROJECTED OUTTURN AT YEAR END | VARIATION TO BUDGET |
|--|---------------------------|---------------------|---------------------------|-------------------------------|---------------------|
| | £000s | £000s | £000s | £000s | £000s |
| Community Housing Services: | | | | | |
| Enabling Activities | 713 | 220 | 933 | 683 | (250) |
| Private Sector Housing | 0 | 0 | 0 | 0 | 0 |
| Homelessness | 308 | 34 | 342 | 108 | (234) |
| Residential Services | 552 | 0 | 552 | 552 | 0 |
| Total Community Housing Services | 1,573 | 254 | 1,827 | 1,343 | (484) |
| Adult Social Services: | | | | | |
| Director/General | 1,406 | (381) | 1,025 | 1,025 | 0 |
| Adults | 57,204 | 410 | 57,614 | 57,614 | 0 |
| Performance, Policy and Strategic Planning | 873 | (15) | 858 | 858 | 0 |
| Central Support/Uncontrollable | 4,232 | 0 | 4,232 | 4,232 | 0 |
| Total Adults Social Services | 63,715 | 14 | 63,729 | 63,729 | 0 |
| Total Cash Limit | 65,288 | 268 | 65,556 | 65,072 | (484) |

Performance, Partnership and Policy

| DESCRIPTION | THIS YEAR ORIGINAL BUDGET | APPROVED VARIATIONS | THIS YEAR APPROVED BUDGET | PROJECTED OUTTURN AT YEAR END | VARIATION TO BUDGET |
|---|---------------------------|---------------------|---------------------------|-------------------------------|---------------------|
| | £000s | £000s | £000s | £000s | £000s |
| PPP – General Fund Services | | | | | |
| Revenues and Benefits | 8,057 | 167 | 8,224 | 8,224 | 0 |
| Corporate Policy and Community Safety | 1,382 | (111) | 1,271 | 1,271 | 0 |
| Other Services | 612 | 30 | 642 | 642 | 0 |
| Net Service Expenditure | 10,051 | 86 | 10,137 | 10,137 | 0 |
| Split between: | | | | | |
| Controllable Net Expenditure | 5,497 | 86 | 5,583 | 5,583 | 0 |
| Uncontrollable Net Expenditure | 4,554 | 0 | 4,554 | 4,554 | 0 |
| Net Service Expenditure | 10,051 | 86 | 10,137 | 10,137 | 0 |
| Corporate Items: | | | | | |
| Council Tax | 367 | 0 | 367 | 367 | 0 |
| Rent Allowances | (1,023) | (33) | (1,056) | (1,056) | 0 |
| Non HRA Rent Rebates | 1,919 | 0 | 1,919 | 1,919 | 0 |
| HRA Rent Rebates | 200 | 0 | 200 | 200 | 0 |
| HBOP/Rent Allowances | 0 | 0 | 0 | 0 | 0 |
| Total Corporate Items | 1,463 | (33) | 1,430 | 1,430 | 0 |
| Total Performance, Policy and Partnerships | 11,514 | 53 | 11,567 | 11,567 | 0 |

Education, Children's and Leisure Services

| DESCRIPTION | THIS YEAR ORIG.BUDGET | APPROVED VARIATIONS | THIS YEAR APPROVED BUDGET | PROJ. OUTTURN AT YEAR END | VARIATION TO BUDGET |
|---------------------------------------|--------------------------|------------------------|---------------------------------|---------------------------------|------------------------|
| | £000s | £000s | £000s | £000s | £000s |
| Schools Budget ISB | (22,414) | 133 | (22,281) | (22,281) | 0 |
| Schools Budget – Central Functions | 20,780 | 859 | 21,639 | 21,628 | (11)* |
| Non Schools | 15,696 | (290) | 15,406 | 15,304 | (102) |
| Leisure, Culture and Youth | 8,178 | 183 | 8,361 | 8,373 | +12 |
| Children and Families Division | 25,778 | 612 | 26,390 | 26,457 | +67 |
| Controllable Total | 48,018 | 1,497 | 49,515 | 49,481 | (34) |
| Uncontrollable Total | 10,600 | 25 | 10,625 | 10,625 | 0 |
| Capital Total | 12,796 | 0 | 12,796 | 12,796 | 0 |
| Uncontrollable Total | 23,396 | 25 | 23,421 | 23,421 | 0 |
| Total Cash Limit | 71,414 | 1,522 | 72,936 | 72,902 | (34) |

* Note the Schools budget underspend (£1.1k) is ringfenced to schools so the current reported ECSL general fund pressure excludes this amount

Environment, Street Scene & Parks

| DESCRIPTION | THIS YEAR ORIG.BUDGET | APPROVED VARIATIONS | THIS YEAR APPROVED BUDGET | PROJ. OUTTURN AT YEAR END | VARIATION TO BUDGET |
|--------------------------------|--------------------------|------------------------|---------------------------------|---------------------------------|------------------------|
| | £000s | £000s | £000s | £000s | £000s |
| Resources and Support | 2,803 | 47 | 2,850 | 2,850 | 0 |
| Contract Services | 3,100 | 991 | 4,091 | 4,611 | +520 |
| Street Scene, Waste & Parks | 12,047 | 2,710 | 14,757 | 14,807 | +50 |
| Planning and Transportation | 2,183 | 154 | 2,337 | 2,337 | 0 |
| Parks and Open Spaces | 4,110 | 242 | 4,352 | 4,380 | +28 |
| Regeneration | 637 | 138 | 775 | 775 | 0 |
| NRF Sustainable Communities | 1,799 | (92) | 1,707 | 1,707 | 0 |
| Net Service Expenditure | 26,679 | 4,190 | 30,869 | 31,467 | +598 |
| Uncontrollable Items | 9,219 | 0 | 9,219 | 9,219 | 0 |
| Total Cash Limit | 35,898 | 4,190 | 40,088 | 40,686 | +598 |

Finance & Corporate Resources

| DESCRIPTION | THIS YEAR ORIG.BUDGET | APPROVED VARIATIONS | THIS YEAR APPROVED BUDGET | PROJ. OUTTURN AT YEAR END | VARIATION TO |
|-------------------------------------|--------------------------|------------------------|---------------------------------|---------------------------------|--------------|
| | | | | | BUDGET |
| | £000s | £000s | £000s | £000s | £000s |
| Director of Resources | 166 | 22 | 188 | 208 | +20 |
| Corporate Procurement | 82 | 556 | 638 | 738 | +100 |
| General Administration | 370 | 125 | 495 | 495 | 0 |
| Department Contingencies | 45 | 82 | 127 | 127 | 0 |
| Former Employees | 529 | 7 | 536 | 536 | 0 |
| Borough Solicitor | (722) | 0 | (722) | (729) | (7) |
| Borough Secretary | 1,985 | 348 | 2,333 | 2,298 | (35) |
| Borough Finance | 3,743 | 133 | 3,876 | 3,891 | +15 |
| Audit & Risk Management | 1,292 | 0 | 1,292 | 1,360 | +68 |
| Corporate IT | 11,075 | 542 | 11,617 | 11,617 | 0 |
| Property & Asset Management | 3,211 | (185) | 3,026 | 2,804 | (222) |
| Trading Accounts: | | | | | |
| Property | 76 | 0 | 76 | 76 | 0 |
| Legal | 21 | 0 | 21 | 21 | 0 |
| Print Services | 44 | 16 | 60 | 60 | 0 |
| Corporate items | 3,206 | (74) | 3,132 | 3,104 | (28) |
| Net Controllable Expenditure | 25,123 | 1,572 | 26,695 | 26,606 | (89) |
| Inter-group | (27,144) | (1) | (27,145) | (27,145) | 0 |
| Obsolete (to be cleared) | 10 | 0 | 10 | 10 | 0 |
| Net Service Expenditure | (2,011) | 1,571 | (440) | (529) | (89) |
| Corporate and Democratic Core | 5,911 | 0 | 5,911 | 5,911 | 0 |
| Total Cash Limit | 3,900 | 1,571 | 5,471 | 5,382 | (89) |

Chief Executive

| DESCRIPTION | THIS YEAR ORIG.BUDGET | APPROVED VARIATIONS | THIS YEAR APPROVED BUDGET | PROJ. OUTTURN AT YEAR END | VARIATION TO BUDGET |
|-------------------------------------|--------------------------|------------------------|---------------------------------|---------------------------------|------------------------|
| | £000s | £000s | £000s | £000s | £000s |
| Chief Executive | 292 | 0 | 292 | 292 | 0 |
| Customer Services | 10,693 | 0 | 10,693 | 11,088 | +395 |
| Communications | 410 | 84 | 494 | 494 | 0 |
| Human Resources | 2,429 | 48 | 2,477 | 2,502 | +25 |
| Former Employees | 99 | 4 | 103 | 103 | 0 |
| Net Controllable Expenditure | 13,923 | 136 | 14,059 | 14,479 | +420 |
| Inter Group | (4,828) | 0 | (4,828) | (4,828) | 0 |
| Total Cash Limit | 9,095 | 136 | 9,231 | 9,651 | +420 |

Housing Revenue Account

| DESCRIPTION | CASH LIMIT | APPROVED VARIATIONS | THIS YEAR APPROVED BUDGET | PROJ. OUTTURN AT YEAR END | VARIATION TO BUDGET |
|---|------------|---------------------|---------------------------|---------------------------|---------------------|
| | £000s | £000s | £000s | £000s | £000s |
| Repairs Admin (project Mgmt & D & M Fees) | 4,957 | (84) | 4,873 | 4,873 | 0 |
| Repairs Base (Responsive & Planned) | 11,902 | 0 | 11,902 | 11,902 | 0 |
| Supervision and Management (General) | 11,018 | 84 | 11,102 | 11,196 | +94 |
| S and M (Special) | 4,935 | 0 | 4,935 | 4,935 | 0 |
| Miscellaneous (DOT Rents) | 910 | 0 | 910 | 1,090 | +180 |
| Rent Rebates | 1,053 | 0 | 1,053 | 1,053 | 0 |
| Bad Debt Provision | 400 | 0 | 400 | 300 | (100) |
| Capital Financing | 13,722 | 0 | 13,722 | 13,722 | 0 |
| Rents Dwellings | (46,024) | 0 | (46,024) | (46,024) | 0 |
| Rents Non Dwellings (Garages & Shops) | (2,964) | 0 | (2,964) | (2,964) | 0 |
| Interest on HRA Balances | (1,010) | 0 | (1,010) | (1,070) | (60) |
| Leaseholder Service Charges | (3,173) | 0 | (3,173) | (3,173) | 0 |
| Subsidy (including MRA) | 4,274 | 0 | 4,274 | 3,978 | (296) |
| Net Service Expenditure | 0 | 0 | 0 | (182) | (182) |
| Total Cash Limit | 0 | 0 | 0 | (182) | (182) |

**London Borough of Enfield
Savings Monitoring: September 2006**

| Area of Saving | £000's | Progress in Achieving the Saving |
|---|--------|---|
| RED CLASSIFICATION | | |
| Community Housing & Adult Social Services | | |
| Rationalisation of Customer Service Centre & Borough Communications Centre (BCC) opening hours. | (80) | Customer Service Centre projecting overspend and saving not achieved, a review of the service (including overlaps with Borough Control) is currently being undertaken. |
| Sustainable Communities- Use of NRF funding. | (220) | This one-off saving will not be achieved. NRF funding now subsumed within LAA funding streams. |
| Education, Children's Services & Leisure | | |
| Fostering Service reduction FYE of 05/06 MTFP. | (461) | Saving built into agency fostering budget, but the monitoring position is predicting a shortfall in the achievement of the saving of approximately £38k. |
| Supervised contact - parents/children. Reduction from 05/06 MTFP. (Section 20) | (130) | This saving is not currently being achieved. The service has used resources from other areas of the children's social services budget to maintain the funding for this service at the original level, however due to increased demand there is a also a projected overspend of £188k. |
| Procurement Savings 2006/07 | | |
| Print savings across the Authority. | (230) | A project manager is now in place to manage the rationalisation of the Print Service. Although savings of this magnitude are highly unlikely in the current year, progress has been made in achieving savings from 2007/08 onwards |
| Courier Savings | (25) | Although there are efficiencies to be made by introducing a new contract, there will not be an overall saving to the Authority. |
| Security Services | (40) | The contract has been extended for CCTV security services, operative from 1 st July 2006. The estimated saving per annum in relation to agency security services for CCTV is £30k per annum but this is yet to be validated. In relation to security guarding, there is a six months saving for 2006/07. Annual charge reduces from £340k to £325k. |
| Water Rates | (20) | Saving will not be achieved. |
| Corporate Items | | |
| Use of LABGIS Grant (one off). | (200) | It is unlikely that the growth in Enfield's rateable values will reach the target required in order to qualify for this grant. |

| Area of Saving | £000's | Progress in Achieving the Saving |
|--|---------|--|
| AMBER CLASSIFICATION | | |
| Corporate Items | | |
| HB Subsidy savings. | (1,200) | The budget remains volatile, but the 2005/06 outturn and the monitor for the current year indicate that this saving will be achieved. |
| Postage reductions across the Authority. | (40) | Currently being implemented. |
| Community Housing & Adult Social Services | | |
| Reduction in unit costs & improved efficiencies within in house services for Older People. | (162) | Saving achieved through reductions and efficiencies across the wider Older Peoples service. |
| Adult Social Services- Finance & Performance restructure. | (30) | Timescales slipped. Linked to corporate review of debt recovery. Alternative saving will however be found for 2006/07. |
| Increased income- charge full cost for residential care. | (100) | Income targets increased and included in projections, but depends on sustained occupancy levels. |
| Home Meals- stop use of escorts. | (25) | Included in the tender of home meals services. |
| Revs and Bens system savings FYE of 2005/06 budget decisions. | (52) | Workflow implementation deferred until December 2006. Savings in 2006/07 under review. |
| Restructure of Private Sector Housing Team. | (25) | Report still pending. Although the restructure not yet complete, it is likely that savings will still be achieved due to the number of vacancies in the team. |
| Education Children's Services & Leisure | | |
| Increase in cross-departmental staff vacancy factor to 5.6%. | (266) | Increased vacancy factor applied to the 2006/07 salary estimates. The latest monitoring figures indicate that there may be a shortfall of £116k. |
| Environment Streetscene & Parks | | |
| New Road and Street Works increased income. | (40) | Achievement of the additional income is considered probable but because it is not certain at the present time the traffic light has been set to amber. Consideration is being given to employing an additional agency person in order to generate additional NRSWA income (the additional income would cover both the extra staff cost and the income target). |
| Advertising Hoardings increased income. | (50) | Income generated from additional hoarding sites is dependent on advertisers agreeing to new sites. Work is at the preparatory stage. |

| Area of Saving | £000's | Progress in Achieving the Saving |
|--|--------|---|
| Finance & Corporate Resources | | |
| Deletion of 1 FTE from the Audit Team. | (30) | The proposed deletion of this post has been replaced with an increased income target of £80k to cover the £30k saving and the secondment of a post from the Metropolitan Police for a trial period of one year (£50k). This post will eventually generate income to the Authority under the Proceeds of Crime Act 2002 though the year in which income will be received is uncertain. |
| Chief Executive | | |
| Increase the cost of In-house training by £10 per course. | (25) | Full year saving unlikely to be made as cost increase not implemented at start of year. Revised charges have been implemented from 1 st October. |
| Procurement Savings 2006/07 | | |
| Telecommunication Services re-tender and consolidate contract. | (100) | In process of re-tendering and consolidating spend. |