

MUNICIPAL YEAR 2006/2007 REPORT NO. 179

MEETING TITLE AND DATE:
Cabinet 13th December 2006

AGENDA PART 1

ITEM 5

**Revenue Monitoring Report
October 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 October 2006. The report indicates a potential overspend within departmental budgets of £43k that is offset by a corporate savings including £930k within Treasury Management leaving an overall potential underspend on the budget of £951k.
- 1.2 The report also identifies a number of other corporate pressures, including a reduction in the amount of recycling credits paid to the Council by the North London Waste Authority. As noted in previous reports, the contingency will be 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.
- 2.2 Cabinet agrees to allocate £36k from the net underspend to fund a review of the Civic Centre reception arrangements in order to improve access for customers (paragraph 6.5).

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 October monitor is showing a potential overspend of £43k on Departmental budgets. The main reasons for the expenditure variations reported to date are set out below:

Health and Social Care: £694k Potential Underspend, this underspend has increased by £210k since the September monitoring report.

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

Education, Children's Services and Leisure: £161k Potential Underspend, this underspend has increased by £138k since the September monitoring report.

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 – £581k Potential Overspend, this overspend has reduced by £17k since the September monitoring report.

The overspend in Environment, Street Scene and Parks mainly relates to a loss of income, due to a reduction in the number of parking penalty charge notices being issued this year. In addition there is a shortfall in income collection within the Parks service (Paragraph 5.4).

Finance and Corporate Resources: £39k Potential Underspend, a reduction of £50k in the underspend since the September monitor.

The projected underspend within Finance and Corporate Resources is a result of the projected over achievement of income mainly in relation to commercial rents and registrars' services, partially offset by potential additional cost of the Corporate Procurement Team and under achievement of income from land charges (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: £356k Potential Overspend, this overspend has reduced by £64k since the September monitoring report.

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

- 3.4 Overall this monitoring report is showing an underspend against budget as a result of strong Treasury Management Performance. It should be noted that although there is still a projected overspend on department budgets, this has reduced from £422k to £43k since the September monitoring.
- 3.5 As reported last month, it should be noted that there are indications that 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 liquidation 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. OCTOBER 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 31st October 2006

	Sep £'000	Oct £'000	Variance £'000
Health and Social Care	(484)	(694)	(210)
Performance, Partnership and Policy	0	0	0
Education, Children's Services and Leisure	(23)	(161)	(138)
Environment, Street Scene and Parks	598	581	(17)
Finance and Corporate Resources *	(89)	(39)	50
Chief Executive	420	356	(64)
Sub total	422	43	(379)
Other GF items:			
Treasury Management	(930)	(930)	0
Contingent Items	(244)	(330)	(86)
Recycling Credits	0	230	230
Civic Centre reception	0	36	36
Sub total – other	(1,174)	(994)	180
Total budget pressures/ (savings)	(752)	(951)	(199)

*The figures include 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 in previous reports, 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 are being closely monitored throughout the year.

5. SERVICE GROUP MONITORING INFORMATION – BUDGET PRESSURES

5.1 Health and Social Care – Projected £694k underspend (Movement since September -£210k)

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 £694k at the end of October 2006.

The underspend on temporary accommodation has increased by £210k since the last report, mainly due to the following:

- Emergency accommodation is now projecting an underspend of (£156k) an increase of (£66k) from last month. This is due to additional income anticipated from an increase in the number of families placed in emergency accommodation.
- Private Leased Annexe expenditure (PLA) is now likely to underspend by £74k due to an increase in projected PLA numbers. (PLA properties deliver a small surplus)
- Private Sector Lease (PSL) expenditure is now projecting an underspend of £9k compared to a reported overspend last month of £113k this is due to a reduction in the number of PSLs.
- The above underspends are offset by overspends on Housing Association Leased Schemes (HALS) of £33k as well as an increase in the cost of the Homefinder Service of £24k due to an increase in the number of households placed in private accommodation under this scheme.

5.1.2 Adult Social Services

The overall budget position for Adult Services is expected to balance at 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 £687k, previously £655k. 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 10,000 average hours per week (an increase of 30 hours per week since September). This overspend will be offset through the allocation of the Department's centrally held provision for care purchasing pressures.

Disabilities

There is a £230k 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 £234k this month. This is largely due to a reduced requirement for agency day care provision and increased funding from Enfield Primary Care Trust.

Mental Health

This service is projecting a break even position. This is consistent with the position reported in September

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 (no movement since September)

Performance, Partnership and Policy is projecting a level spend as at the end of October 2006. Although the housing benefit subsidy budgets remain volatile, a review of the budgets for the October monitor suggests a balanced budget position. However, it must be recognised that the information from the new Pericles system regarding the HB overpayment figures needs to be improved and therefore a further review is needed to confirm the levels of overpayments and bad debt provisions. Members should also note that the HB subsidy claims for 2004/05 and 2005/06 have not yet been agreed by the DWP. The Council is holding provisions of £3m pending agreement to these claims.

5.3 Education, Children's Services & Leisure –Projected £161k Underspend (Movement since September report; -£138k)

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 for the Council as this ring-fenced account is fully funded by the Dedicated Schools' Grant and any underspends can only be rolled forward into the schools' budget in future years.

Schools' Budget

As reported earlier in the year, the final amount of Dedicated Schools' Grant (DSG) for 2006/07 announced by the Department for Education and Skills is lower than estimated at the time of budget setting. The reduction of £195k has been met from the schools' budget contingency resulting in no overall increase in spending.

There is a net underspend in the SEN budgets of £395k. The underspend previously reported has increased this month by £79k. This is due, in the main, to a reduction in the level of contingency for new day out-borough placements, which less likely to be needed towards the end of the financial year.

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

The parent support service is a new service operative from September 2006. There is a saving of £50k in the staffing budget, resulting from the delay in the recruitment of staff due to redeployment issues.

The autumn term count for support for pupils with exceptional SEN needs in mainstream schools has identified a reduction of £73k in the allocation

needed. In addition to this sum the provision of £202k included in the schools contingency for additional SEN support is not needed, resulting in an underspend of £275k.

The expansion of Highlands School to 8 forms of entry and the extension of the buildings gave rise to an increase in the unitary charge of £50k to March 2006, which was only invoiced to the authority in June. In addition a claim has been received from the company managing the second schools' PFI contract for the excess costs of energy over their allowance in the contract. The validity of this claim is being checked, but in the interim, a provision has been included for additional expenditure of £45k.

A one-off contingency payment of £95k will be made to Highlands school subject to the agreement of a robust recovery plan. A number of school rateable revaluations have resulted in additional expenditure of £129k. Any Schools' budget over or underspends will be carried forward to next years DSG in accordance with DfES grant regulations

ECSL Department Budget- Projected Underspend £161k

ECSL Department are projecting an outturn position of a £161k underspend at this stage, an increase of £138k on the figure reported last month.

Material over and underspends within the department are described below.

- The Youth Offending Service is reporting an overspend of £121k due 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 £467k 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 £163k due to the rise in the number and costs of claims 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 of £187k due to higher than expected parent/child contact costs imposed by the Courts.
- Family Centres are projecting an underspend of £115k 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 of £740k, of which £390k is due to lower activity and £350k 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 review of the end of year Standard Fund balances has identified an underspend on previous years LEA contribution of £118k.
- The projection for Transportation expenditure has identified an underspend of £163k. This is due to a review of the methodology for projecting contractors and labour costs and resulted in reductions in both of these areas.

ECSL Department Budget - Risks

General – In previous reports the figures did not include those relating to 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 75% of this sum in the variances reported in this report. The remaining 25% is still excluded and projections from service managers on their monitoring returns indicate that there could be additional overspends of approximately £71k 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 £740k. 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 £385k 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 £30k 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 £581k Overspend (-£17k Movement since September report)

The Environment, Street Scene and Parks Department is currently projecting to overspend by £581k against budget. This is a £17k reduction in the level of overspend from the September monitoring report.

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

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. These include increased compliance levels in Bus Lanes leading to fewer excess charges and 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. There appears to have been an upturn in recent weeks which would lead to an improved year end position. However, approval to an increase in parking charges (which was to bring in an estimated additional £130k in the current year) has still to be finally confirmed and therefore the new charges have not yet been implemented. Allowing for this delay, the previous prediction of a £500k shortfall stands.

There is a previously reported potential shortfall of income at the MOT bay, due mainly to the introduction of new regulations that have increased the time taken to carry out these tests. This is now estimated at £15k.

The cost of bulky waste collections has previously been reported as £120k. An ongoing review of spend in the Street Scene, Waste and Environmental Health Division has indicated that these costs can be covered from existing Waste Services budgets in the current year and that, due to reductions in operating costs in waste services, the Division as a whole is reporting a potential underspend of some £82k.

There is a potential underspend on the PFI street lighting budget of some £50k arising from reduced payments to the contractor in the early months of the contract

There was a previously reported 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. As previously reported there are very clear indications of a decline in income particularly for the golf course at Whitewebbs and a potential shortfall in fees, charges and rents in other areas. These income areas are currently the subject of a detailed

investigation, the impact of the shortfall on the budget is being carefully assessed and appropriate action will be taken to address any inherent budget problems. In the meantime, based on the latest information available a potential shortfall across parks income budgets of some £198k (including the previously reported £28k) is predicted. Considerable ongoing work is taking place to ensure that on an ongoing basis the Parks budgets reflect a realistic position within the available cash limit.

5.5 Finance and Corporate Resources – Projected £39k Underspend (Movement since September report +£50k)

The Finance and Corporate Resources Department is reporting an underspend of £39k a movement of +£50k since the September monitoring report.

As previously reported, there continues to be a shortfall in land charges income (£147k). 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 £39k. 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 and progress will be reported in future monitors. This being addressed as a corporate item.

5.6 Chief Executive's Department – Projected £356k Overspend (Movement since September report -£64k)

The Chief Executive's Department are reporting a potential overspend of £356k for October.

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

Within HR there is also an underspend of £39k consisting of a £15k deficit on income from the corporate training budget; £24k additional income in the schools' personnel service; and a £30k projected underspend on employee costs.

6. OTHER GENERAL FUND ITEMS

6.1 Treasury Management – Projected additional income £930k (No movement since September report)

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 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 the Council 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 Council has incurred additional bank charges as a result. The Treasury Team are actively pursuing a reduction in these charges with the Bank.

In November the Bank of England increased the base interest rate to 5%, this will result in greater income on investment and this saving will be reported in the November monitor.

6.2 Contingency and Contingent Items – Projected Unallocated Provision -£330k

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 the implementation of the Pericles system for benefits and the ELCL liquidation are likely to result in the 2006/07 contingency being fully committed.

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 has been made 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		(1,801)
Unallocated Provision at 30.09.06	1,000	1,677
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		18
Projected Unallocated Provision	0	0

6.3 Agency Rebate

There is a £330k rebate on agency staff as a result of the new agency contract with Adecco and Matrix.

6.4 Recycling Credits

The North London Waste Authority (NLWA) will be announcing the final recycling credit awards to constituent Councils for 2005/06 at its meeting in December. These sums will be based on audited tonnages achieved by each authority as agreed by the NLWA. Preliminary indications are that there is likely to be a shortfall of £230k against the sum assumed in the 2005/06 accounts. Current tonnage figures are being carefully monitored in order to identify any ongoing impact.

6.5 Civic Centre Reception

The Council will be undertaking a major refurbishment of the Civic Centre reception facilities in order to improve access to services for customers. In order to ensure that the new arrangements meet customers needs, it will be necessary to undertake a detailed review and redesign of the existing reception processes in advance of the refurbishment work. It is anticipated that the cost of the review will be in the order of £36k. When completed the review will provide a model for use in other customer access centres across the Borough. It is recommended that resources be allocated from this year's net underspend to fund this work.

7. HOUSING REVENUE ACCOUNT (HRA): - Projected £182k underspend *No movement since September*

The Housing Revenue Account is projecting an underspend of £182k on its budgets as reported in last month's budget monitor. The underspend relates to a reduction in the amount projected for negative subsidy payable to Department for Communities and Local Government (-£296k) due to the reworking of the subsidy figures and changes to the subsidy formula from 2006/07.

Supervision & Management is showing an underrecovery of income (£60k) on deductions from capital receipts on the sale of Council homes (SOCH) as a result of an increase in the number of applications that are subsequently withdrawn. Also there is an overspend projected on the payment of early retirement costs (£34k).

The repairs budget is at present volatile. Responsive repairs is projecting a significant increase in expenditure this is offset by a corresponding underspend on planned repairs. Repairs expenditure is expected to be at budget for 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). Interest on Balances is projecting an overrecovery position of £60k.

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. 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 October 2006

	Original Budget £000s	Approved Changes £000s	Approved Budget £000s	Projected Oct Outturn £000s	Projected Oct Variation £000s	Appendix
Health and Social Care	65,288	504	65,792	65,098	(694)	A
Performance, Partnership and Policy	11,514	55	11,569	11,569	0	B
Education, Children's & Leisure Services	71,414	1,511	72,925	72,764	(161)	C
Environment, Street Scene & Parks	35,898	4,384	40,282	40,863	+581	D
Finance and Corporate Resources	(2,011)	1,568	(443)	(482)	(39)	E
Chief Executive	9,095	136	9,231	9,587	+356	F
Corporate and Democratic Core	5,911	0	5,911	5,911	0	E
Total Department Budgets	197,109	8,158	205,267	205,310	+43	
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	(675)	3,415	3,415	0	
Contribution to/from Reserve	(3,462)	(4,141)	(7,603)	(7,603)	0	
Recycling credits	0	(1,647)	(1,647)	(1,417)	230	
IT Fund	644	0	644	644	0	
Contingency	1,000	0	1,000	1,000	0	
Contingent Items	3,478	(1,800)	1,678	1,348	(330)	
Civic Centre Reception	0	0	0	36	36	
Total Service Expenditure	198,440	0	198,440	197,489	(951)	
Levies	7,821	0	7,821	7,821	0	
TOTAL Budget Requirement	206,261	0	206,261	205,310	(951)	

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	61	369	(75)	(444)
Residential Services	552	(19)	533	533	0
Total Community Housing Services	1,573	262	1,835	1,141	(694)
Adult Social Services:					
Director/General	1,406	(156)	1,250	1,250	0
Adults	57,204	413	57,617	57,617	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	242	63,957	63,957	0
Total Cash Limit	65,288	504	65,792	65,098	(694)

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	(101)	1,281	1,281	0
Other Services	612	22	634	634	0
Net Service Expenditure	10,051	88	10,139	10,139	0
Split between:					
Controllable Net Expenditure	5,497	51	5,548	5,548	0
Uncontrollable Net Expenditure	4,554	37	4,591	4,591	0
Net Service Expenditure	10,051	88	10,139	10,139	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	55	11,569	11,569	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	869	21,649	21,179	(470)*
Non Schools	15,696	(305)	15,391	15,160	(231)
Leisure, Culture and Youth	8,178	177	8,355	8,367	+12
Children and Families Division	25,778	612	26,390	26,448	+58
Controllable Total	48,018	1,486	49,504	48,873	(631)
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	1,511	72,925	72,294	(631)

* Note the Schools budget underspend (£470k) 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	18	2,821	2,821	0
Contract Services	3,100	1,049	4,149	4,614	+465
Street Scene, Waste & Parks	12,047	2,680	14,727	14,645	(82)
Planning and Transportation	2,183	154	2,337	2,337	0
Parks and Open Spaces	4,110	242	4,352	4,550	+198
Regeneration	637	139	776	776	0
NRF Sustainable Communities	1,799	102	1,901	1,901	0
Net Service Expenditure	26,679	4,384	31,063	31,644	+581
Uncontrollable Items	9,219	0	9,219	9,219	0
Total Cash Limit	35,898	4,384	40,282	40,863	+581

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)	(735)	(13)
Borough Secretary	1,985	338	2,323	2,284	(39)
Borough Finance	3,743	133	3,876	3,891	+15
Audit & Risk Management	1,292	0	1,292	1,400	+108
Corporate IT	11,075	549	11,624	11,609	(15)
Property & Asset Management	3,211	(185)	3,026	2,824	(202)
Trading Accounts:					
Property	76	0	76	76	0
Legal	21	0	21	36	15
Print Services	44	16	60	60	0
Corporate items	3,206	(74)	3,132	3,104	(28)
Net Controllable Expenditure	25,123	1,569	26,692	26,653	(39)
Inter-group	(27,144)	(1)	(27,145)	(27,145)	0
Obsolete (to be cleared)	10	0	10	10	0
Net Service Expenditure	(2,011)	1,568	(443)	(482)	(39)
Corporate and Democratic Core	5,911	0	5,911	5,911	0
Total Cash Limit	3,900	1,568	5,468	5,429	(39)

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	2,438	(39)
Former Employees	99	4	103	103	0
Net Controllable Expenditure	13,923	136	14,059	14,415	+356
Inter Group	(4,828)	0	(4,828)	(4,828)	0
Total Cash Limit	9,095	136	9,231	9,587	+356

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: October 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 due to increased demand. Saving not achieved but 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		
Supervised contact - parents/children. Reduction from 05/06 MTFP. (Section 20)	(130)	This saving is not currently being achieved. There is a projected overspend of £188k. This overspend is balanced by underspends elsewhere in budgets for Children and Families.
Environment, Streetscene & Parks		
Advertising Hoardings, increased income.	(50)	Working with consultants, but it has been confirmed that there will be no income this financial year.
Additional Car Parking income	(375)	Current income levels suggest that this level of income will not be achieved.
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 net 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 is likely to 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		
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 £36k. This overspend is balanced by underspends elsewhere in budgets for Children and Families.
Increase in cross-departmental staff vacancy to 5.6%	(266)	Increased vacancy factor applied to the 2006/07 salary estimates. To date approximately half of the increase appears achievable. The position is being monitored closely.
Environment Streetscene & Parks		
Additional income from On-street Parking	(130)	The achievement of this income is dependent on implementing the new charges as set out in the Parking Charges Report. As this has been "called-in" the additional income may not be achieved.

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.