

# MUNICIPAL YEAR 2013/14 REPORT NO: 161

## MEETING TITLE AND DATE:

Cabinet:  
22<sup>nd</sup> January 2014

## AGENDA PART 1

ITEM: 6

**Subject: Revenue Monitoring Report  
2013/14: November 2013**

**Wards: All**

## Report of:

Director of Finance, Resources and  
Customer Services

## Contact:

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### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of November 2013. The report forecasts an outturn position of £0.606m overspend for 2013/14.

### 2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the £0.606m overspend revenue outturn projection.
- 2.2 Directs departments reporting pressures to formulate and implement action plans to ensure that they remain within budget in 2013/14.

### 3. BACKGROUND

- 3.1 The Council's revenue expenditure against budget is monitored through regular reports to the Corporate Management Board and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council as a whole, and give details of any projected additional budget pressures and risks, or any significant underspends. Where departments are reporting projected overspends management action will be undertaken to ensure expenditure is reduced to budget.
- 3.2 The Revenue Monitoring Report is a result of the monthly monitoring process carried out by Departments, which is based on the following principles to ensure accuracy, transparency and consistency:
  - Risk assessments, to enable greater emphasis to be placed on high-risk budgets throughout the year.
  - Comparisons 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.

3.3 This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, the variations in this report are deliberately limited to +/- variances of £50,000 or over in order to provide a greater strategic focus.

3.4 A summary overview of financial performance is outlined below in Table 1. It is designed to capture the key messages across the Council's main financial areas, namely:

1. Income and expenditure;
2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
3. Cash flow forecasting and management.

**Table 1: Summary performance overview**

Area of review	Key highlights	Risk Rating		
		September	October	November
Income and expenditure position	<ul style="list-style-type: none"> <li>• Year-end forecast variances of £0.606m overspend have been identified to date in relation to General Fund net controllable expenditure. Budget variances identified to date will need to be managed closely to ensure timely appropriate action can be taken.</li> </ul>	Amber	Amber	Amber
	<ul style="list-style-type: none"> <li>• Improved focus on budget profiling across all departmental budgets will continue to be applied in order to better reflect predicted net spending patterns throughout the year. This will change to green when we are satisfied that the profiles for 13-14 are correct with managers working with accountancy teams to fine tune this work.</li> </ul>	Amber	Amber	Amber
	<ul style="list-style-type: none"> <li>• The HRA is projecting a £1.3m underspend for year-end outturn against budget as a result of a significant reduction in the level of bad debt provision required relating to the recent welfare reforms (section 7).</li> </ul>	Green	Green	Green
Balance Sheet	<ul style="list-style-type: none"> <li>• The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return.</li> </ul>	Green	Green	Green
	<ul style="list-style-type: none"> <li>• The year-end projections for General Fund balances are in line with the Council's Medium Term Financial Strategy target levels.</li> </ul>	Green	Green	Green
Cash flow	<ul style="list-style-type: none"> <li>• The Council's cash balances and cashflow forecast for the year (including borrowing) will ensure sufficient funds are available to cover planned capital and revenue commitments when they fall due.</li> </ul>	Green	Green	Green
	<ul style="list-style-type: none"> <li>• Interest receipts forecast for the year are on target with budget.</li> </ul>	Green	Green	Green

#### 4. November 2013 Monitoring – General Fund

4.1 A summary of the departmental and corporate projected outturns and variances against budget is set out in Table 2 as follows:

**Table 2: Forecast Outturn Table- Net Controllable Budget / Projected Outturn**

<b>November 2013</b>					
<b>Department</b>	<b>Net Controllable Budget</b>				
	<b>Original Budget</b>	<b>Approved Changes</b>	<b>Approved Budget</b>	<b>Projected Outturn</b>	<b>Projected Variation</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Chief Executive	3,525	168	3,693	3,693	0
Environment	27,628	2,239	29,867	29,867	0
Finance, Resources & Customer Services	41,449	2,288	43,737	43,737	0
Health, Housing and Adult Social Care	95,697	3,437	99,134	99,134	0
Regeneration, Leisure & Culture	8,974	491	9,465	9,465	0
Schools & Children's Services	54,096	1,917	56,013	56,619	606
<b>Total Department Budgets</b>	<b>231,369</b>	<b>10,540</b>	<b>241,909</b>	<b>242,515</b>	<b>606</b>
Contribution to / from balances	0	(3,374)	(3,374)	(3,374)	0
Collection Fund	(1,086)	0	(1,086)	(1,086)	0
Corporate Items	29,282	(7,166)	22,116	22,116	0
Government Funding	(163,223)	0	(163,223)	(163,223)	0
<b>Council Tax Requirement</b>	<b>96,342</b>	<b>0</b>	<b>96,342</b>	<b>96,948</b>	<b>606</b>

#### 5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & PROJECTED SAVINGS

##### 5.1 Chief Executive's Department

The department is currently projecting a balanced budget. There are no current budget variances over £50k to report.

##### 5.2 Environment

The department is currently projecting a balanced budget, explanations for variances over £50k (totalling -52k) are detailed below:

- +£230k - Loss of income from Building Control fees due to the continuing low level of building construction activity in the current economic climate.
- +£200k - Under achievement in Planning fees as a result of recent changes in planning regulations and a decrease in number of major planning applications.

- -£56k – Underspend in Waste Operations due to delay in recruitment within Street Cleansing and a reduction in clinical waste collection costs following the routing of work from 5 days to 2 days per week.
- -£237k - Underspend in leasing costs as a result of the decision to introduce a nine year replacement cycle for the majority of waste vehicles following a review of the vehicle replacement programme undertaken recently. The changes have led to the re-profiling of the outstanding internal leasing payments for these vehicles over their remaining life, resulting in a short term reduction in annual charges until the vehicles are disposed of.
- -£189k - Over achievement of cemeteries income in Parks client due to the increased supply for traditional burial plots at Edmonton Cemetery.

### **5.3 Finance, Resources & Customer Services**

The department is currently projecting a level spend. Explanations for variances over £50k are detailed below:

- There is a projected £300k pressure from the cost of external legal costs for additional safeguarding & contractual demands. These costs will be funded from the specific provision within the Council's contingency.
- There are two underspends in the department the first relates to reduced Audit Fees of £124k, and there has also been a reduction in insurance premiums of £150k.
- There is currently a £278k budget risk relating to Community Alarm expenditure increased costs. HHASC have agreed to fund costs up to £200k on this service.
- Property Services have continued to be affected by the general downturn in the economy with lower occupancy rates of commercial / industrial sites and the resultant loss of rentals. There is a specific provision within the Council's contingent items to recognise this but the department will continue to work hard to maximise the use of all commercial properties. (+£500k).
- Property Services have also has incurred additional expenditure from the increased provision of security including boarding-up and CCTV costs to protect Council sites (+£200k).

### **5.4 Health, Housing & Adult Social Care**

The department is currently projecting a breakeven position for outturn, explanations for variances/ movements over £50k are detailed below:

- -£318k Strategy & Resources continue to forecast a year end underspend. The movement in month is -£116k. This relates to the

early achievement of housing related support savings, maximising one off resources and reduced commitments across the service.

- +£98k The Mental Health service continues to project an overspend position, which relates to care purchasing projections for ordinary residence cases.
- +£450k The Learning Disabilities service continues to project an overspend position. The service operates a monthly efficiency programme that reviews progress against savings and manages demand for services during the year.
- +£200k The Customer pathway are projecting care purchasing overspends of £200k against a net budget of £30m, which will actively be reviewed and managed throughout the remainder of the financial year.
- -£219k The Provider service is projecting an underspend, due to an over achievement of income from client receipts and reduced operational costs
- -£212k the care purchasing contingency is held centrally to manage demand across the department. It will be allocated during the year to individual services as required, once all management actions to absorb the pressure within the service have been exhausted.

The departmental forecast excludes a number of grants and current project carry forwards:

- NHS Social care grant - The NHS social care grant is £4.6m. The 2013/14 forecast spend on jointly agreed projects is circa £2m, with an additional one off contribution of £2.1m in the MTFP to cover demographic pressures (rising to a cumulative contribution in the council MTFP of £11m by 2016/17).
- Public Health grant - The Public Health grant of £12.9m allocated to the authority in 2013/14 is projected to underspend by £669k. This is due to delays in recruiting to the new staffing structure and progress on specific Public health funded projects. It should be recognised that there is material risk associated with the demand led PH services which may impact of year end forecast, particularly for sexual health services. The Public Health grant is ring fenced and as per the Department of Health guidance and underspends will be carried forward into the next financial year to meet the grant conditions.

### Community Housing

There is currently an overspend projection of £246k for 2013/14. This overspend will be managed within the Initiatives Reserve Fund leaving the Community Housing Division in a balanced position for 2013/14.

There is a net overspend of £0.614m on the rental portfolio (Gross overspend £3.263m less funding of £2.649m) and this is due to the increased cost of temporary accommodation procurement. Although the Temporary Accommodation pressure in 2013/14 has been managed and contained as

part of the monitoring process, there are significant pressures arising that will impact in future years. The anticipated on-going revenue pressure in 2014/15 is £3.3m. A number of initiatives are being put in place to mitigate these increased costs, however, this area of service remains a high budget risk.

There is an additional overspend of £40k on two cases relating to tenants with no access to public funds.

The overspend on rents is offset by underspends of £127k on furniture storage and repairs budgets; £39k on refund of deposits; £24k underspend on bad debt provision and £218k on other miscellaneous budgets.

This budget pressure is after the use of Discretionary Housing payments (DHP) made to tenants of approximately £821k to offset the bad debt pressure in 2013/14. DHP may not be available in 2014/15 at current levels.

## **5.5 Regeneration, Leisure & Culture**

The department is currently projecting a nil variation from approved budget and there are no current variances over £50k to report.

## **5.6 Schools & Children's Services**

### **Departmental (General Fund Budget)**

Schools and Children's Services are currently projecting an overspend of £606k. Within this there are a number of individual budget areas with projected variances over £50k. Explanations for these are detailed below:

- Catering Service- an underspend of approximately £300k is anticipated as a result of the continuing higher uptake of school meals.
- Early Years' Service- an underspend of £254k is forecast due to reduced expenditure in the project budget and the application of trajectory grant funding of approximately £170k to fund the work undertaken by this team on ensuring the provision of two year old places.
- Schools Early Retirement Enhancement Pensions - a review of the expenditure chargeable to this provision has identified a saving of £73k.
- Educational Welfare- an underspend of £88k is reported due to staff vacancies and additional income.
- Asset Management- an updated review of staffing forecasts, consultancy costs and a projection of which costs can be recharged to capital projects has been completed and indicates an overspend of approximately £341k.
- The Lettings Agency team are reporting an overspend of £99k as a result of cover for maternity leave plus a general reduction in income from schools & academies choosing not to use the service.
- Schools Project Team- a £128k overspend is reported as a result of staffing costs that cannot be recharged to projects plus other miscellaneous expenses on surveys and valuations.

- Special Educational Need- staffing costs are projected to overspend by £59k due to continuing consultant and agency costs
- Child & Family Commissioning- an £88k overspend is reported primarily due to interim cover for vacant posts.
- Children's Centres- a saving of £212k is projected against the commissioning budget as a result of a planned reduction in spend in order to contain the departments projected overspend.
- Strategy, Planning & Performance- an overspend resulting from a delay in the Commissioning and Community division restructure has been partially off-set by an underspend resulting from the early winding up of the Children's Services Trust resulting in a net overspend of approximately £77k.
- External Residential Child Care Placements -the projected overspend of £326k is due to increased client placement costs and is based on known and planned placements. The Authority will continue to closely manage these placements to care.
- Prevention of Care Section 17- this budget is now reporting an overspend of £75k. Discussions are still in progress to establish if some of the costs of accommodation and personal essentials can be funded from the Discretionary Housing Payments or the Emergency Support Scheme.
- No Recourse to Public Funds- a projected overspend of £432k is based on the 94 families which the Authority is currently supporting. This is an increase of 9 families since last month. As it is becoming more difficult to resolve the immigration status of these clients the costs are increasing as families are now being supported longer with resultant additional costs. The Authority is lobbying ministers regarding this matter, it also has the support of local Members of Parliament.
- In-House Fostering- is projecting an overspend of £61k as more placements are being made internally rather than in more expensive external agency foster placements.
- Section 20- Additional LAC Placement Expenses. The projected increased underspend of £160k is based on last year's actual expenditure and projected current spending levels.
- Leaving Care- the service is projecting an overspend of £98k due to increasing numbers of clients requiring accommodation and support.
- Unaccompanied Asylum Seekers- the service is projecting an overspend of £176k. The budget is now supporting an additional 424 Unaccompanied Asylum Seeking Children (UASC) client weeks and

the average costs of supporting them has also increased by £216 per week. This increase is due to a shortage of suitable accommodation for the recent arrivals but it is expected that a new service provider will soon be able to provide more cost effective accommodation.

- Former Unaccompanied Asylum Seeking Children now 18+ - This service is projecting an overspend of £138k. The accommodation costs for this client group have increased this year due to additional UASC turning 18. The overall client numbers are still below the 25fte threshold at which point this expenditure becomes eligible for government grant funding.
- Youth & Family Support Service – is reporting an underspend of £58k as a result of staffing vacancies and a review of running expenses throughout the service.
- Graduate Social Worker Training Programme - A freeze has now been placed on new recruits to this programme as the recruitment and retention of social workers has improved. This will result in an underspend of £189k.
- Departmental Risks
  - The LAC, Leaving Care and UASC external care purchasing budget projections may show increased spending as new placements are made or existing placements are extended beyond their current projected end dates.
  - Youth Justice Secure Remand Pressures - with effect from November 2012 the new Youth Sentencing proposals started to impact upon the Council as those young people remanded into secure custody obtained LAC status.
  - Welfare Benefit Changes - these were introduced in April and an impact has been noticed with an increase in the number of CiN referrals. At present no specific cost pressures are being identified as a result of these changes.
  - Youth Service - The My Place Project building works are completed however there is a potential dispute with the contractor which could result in additional costs to the council which cannot be funded from the capital budget. Project officers are currently assessing the contractors claim and they will be aiming to minimise any compensation payment as it would need to be funded from the Youth Service revenue budget.

**Schools Budgets - These variations do not form part of the General Fund position.**

The Schools Budget is currently projecting an overspend of £259k. The substantial items are:

Special Needs Education A net underspend of £81k is the result of underspends of £224k and £200k currently reported respectively for Independent Residential and Independent Day Services both due to projected savings against contingency provisions. These underspends are reduced by an overspend of around £343k projected for Speech & Language Therapy costs for the period 2010/11 to 2012/13.

A probable overspend of £50k for Carbon Reduction Credits based on last year's actual charge.

A net overspend of £55k reported by Schools Repairs & Maintenance, the main item being an overspend of £90k as a result of fire precaution works within Secondary Schools.

A 145k overspend reported by Hire of External Premises the main items being unbudgeted security costs and energy costs totalling £126k relating to the Bell Lane site. These additional costs have now stopped as the building is now occupied.

An £86k overspend reported by the Nursery Education Grant based on latest pupil numbers.

The previously reported underspend of £72k anticipated by the Behaviour Support Service as a result of staff vacancies has now reduced to £39k.

### **Schools Risks**

Whilst the unplaced pupils service is showing a balanced position there may be a need to finance emergency provision for primary children who cannot gain quick access to a school placement.

## **6. OTHER GENERAL FUND ITEMS**

### **6.1 Treasury Management and Cash Flow Analysis**

Treasury management activities have been affected by the Government's lending for borrowing policy which has meant that interest paid on deposits has fallen.

This has, however, been counterbalanced to some extent by the new Treasury Management Strategy that has increased our maximum lending period from three months to one year.

The council cash flow position has also been affected by the change in timing in which local government now receives Revenue Support Grant. This in effect will mean we have higher cash balances over the first two months of the financial year.

Long term borrowing has increased to reflect the Salix loans (interest free loans) to fund the Council's refit programme on solar panels. No other long term borrowing has been undertaken during the year.

The Authority has also started to re-finance the maturing short term debt on its short-term loans. We have borrowed ahead of maturity on some loans to

take advantage of favourable rates being offered.

The Treasury Management position as at 30th November is set out below:

	Position August £m	Position September £m	Position October £m	Position November £m
Long term borrowing	266.4	265.2	266.2	266.2
Short-term borrowing	28.0	22.0	37.0	37.0
Total borrowing	294.4	287.2	303.2	303.2
Total investments	(96.8)	(72.0)	(80.5)	(73.7)
Net debt	197.6	215.2	222.7	229.5

#### London Borough of Enfield Investments at 30<sup>th</sup> November 2013

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
Call Accounts						
Santander UK PLC	£12,500,000		On demand	0.40%	1	A
HSBC Bank PLC	£12,325,000		On demand	0.40%	1	AA-
Royal Bank of Scotland PLC	£12,500,000		On demand	0.50%	1	A
Money Market Funds						
Ignis	£8,000,000		On demand	0.44%	1	AAAm
Federated	£850,000		On demand	0.37%	1	AAAm
Termed Deposits						
Barclays Bank PLC	£7,500,000	10 <sup>th</sup> April 13	9 <sup>th</sup> March 14	0.82%	99	A
Nationwide Building Society	£7,500,000	12 <sup>th</sup> April 13	11 <sup>th</sup> April 14	0.72%	132	A+
Lloyds Bank PLC	£7,500,000	7 <sup>th</sup> May 13	7 <sup>th</sup> May 14	0.75%	158	A
Lloyds Bank PLC	£5,000,000	15 <sup>th</sup> Oct 13	22 <sup>nd</sup> April 14	0.75%	143	A
<b>Total - Investments</b>	<b>£73,675,000</b>		<b>Average</b>	<b>0.54%</b>		
Number of Investments	9					

#### London Borough of Enfield Short Term loans at 30<sup>th</sup> November 2013

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Slough Borough Council	£4,000,000	15 <sup>th</sup> Jan 2013	14 <sup>th</sup> Jan 2014	0.45%	45
Wakefield Met District Council	£5,000,000	1 <sup>st</sup> Mar 2013	11 <sup>th</sup> Feb 2014	0.5%	73
Humber Fire Authority	£1,000,000	15 <sup>th</sup> Mar 2013	28 <sup>th</sup> Feb 2014	0.40%	90
Humber Bridge Board	£2,000,000	28 <sup>th</sup> Mar 2013	27 <sup>th</sup> Mar 2014	0.40%	117
Hertfordshire County Council	£5,000,000	30 <sup>th</sup> Oct 2013	30 <sup>th</sup> July 2014	0.46%	242
Wokingham Borough Council	£3,000,000	15 <sup>th</sup> Oct 2013	18 <sup>th</sup> Sept 2014	0.45%	292
Bath & Northeast Somerset District Council	£5,000,000	4 <sup>th</sup> Oct 2013	3 <sup>rd</sup> Oct 2014	0.47%	307
South Yorkshire Joint Secretariat	£5,000,000	10 <sup>th</sup> Oct 2013	8 <sup>th</sup> Oct 2014	0.45%	312
South Yorkshire Joint Secretariat	£5,000,000	9 <sup>th</sup> Oct 2013	9 <sup>th</sup> Oct 2014	0.45%	313
Solihull MBC	£2,000,000	29 <sup>th</sup> Oct 2013	28 <sup>th</sup> Oct 2014	0.45%	332
<b>Total</b>	<b>£37,000,000</b>			<b>0.45%</b>	

## **6.2 Corporate Items (Including Contingency & Contingent Items) General Fund**

The Council maintains a general contingency of £1.0m. There are also a number of contingent items set aside for various purposes. These budgets are monitored and allocated throughout the year and any variance is reported to Cabinet.

## **7. Housing Revenue Account (HRA) – Projected £1.296m underspend**

An updated position on our outstanding loan premium payments has been provided by Treasury Management, the outstanding loans have now been almost fully paid and the outstanding payment is significantly lower than expected resulting in a saving of £70k

An overspend of £51k in the payments for council tax on void properties has been identified due to an increase in the amount of Estate Renewal decants.

The estimated number of RTB's was 40 for the year, at the end of September there have been 37 RTB's to date. Therefore we estimate the number to be around 70 for 13-14, this will result in additional income of £85k.

Additional income of £39k from shops has been identified this month. This may change if the proposal to sell off some Hertford Road shops is agreed.

An under-recovery of income in dwellings rent and service charges of £290k has been identified due to an increase in the void rate, the estimated void rate was 1.6% but the current rate is 1.89%

An under-recovery of income in garages rent of £57k has been identified due to an increase in the void rate, the current void rate is 58.07% compared to an estimated rate of 55%.

The bad debt calculation has been reviewed and a saving of £1.5m has been identified. Additional budget was added to the bad debt provision to account for the changes to welfare reform, this budget is now not needed as the tenants are receiving discretionary housing payments directly through benefits to cover any shortfall. The remaining £500k budget set aside for bad debt is being monitored closely and it is expected that a contribution is to be made.

## **8. Achievement of savings**

8.1 The 2013/14 Budget Report included savings and the achievement of increased income totalling £13.147m to be made in 2013/14.

8.2 To date £12.292m of savings (97%) are classified as Blue or Green (on course for full achievement). £135k are currently Amber with £300k currently classed as Red. Appendix 1 provides supporting information for the Amber / Red savings. The overall savings position in terms of traffic light classifications is set out below:

## 2013/14 Savings- Traffic Light Classification: November 2013

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
<b>Chief Executive</b>	0	0%	(50)	13%	0	0%	(343)	87%	<b>(393)</b>
<b>Environment</b>	0	0%	0	0%	(612)	44%	(772)	56%	<b>(1,384)</b>
<b>Finance &amp; Corporate Resources</b>	0	0%	0	0%	(75)	5%	(1,367)	95%	<b>(1,442)</b>
<b>Housing, Health &amp; Adult Social Care</b>	0	0%	(85)	2%	(351)	7%	(4,530)	91%	<b>(4,966)</b>
<b>Regeneration, Leisure &amp; Culture</b>	0	0%	0	0%	(126)	23%	(417)	77%	<b>(543)</b>
<b>Schools &amp; Children's Services</b>	(300)	12%	0	0%	(560)	23%	(1,555)	64%	<b>(2,415)</b>
<b>Corporate</b>	0	0%	0	0%	(2,004)	100%	0	0%	<b>(2,004)</b>
<b>Total Savings for 2013/14</b>	<b>(300)</b>	<b>2%</b>	<b>(135)</b>	<b>1%</b>	<b>(3,728)</b>	<b>28%</b>	<b>(8,984)</b>	<b>68%</b>	<b>(13,147)</b>

### 9. ENFIELD RESIDENTS PRIORITY FUND (ERPF)

The key aim of the ERPF is to address local need within wards, through the funding of specific projects, under the Council's wellbeing power (now general power of competence). The Fund was reduced to £1.4m for 2013-14 and the split of one third revenue funding and two thirds capital funding retained. The financing of the Fund was included as part of the budget build up for 2013-14. Each project bid is evaluated to determine if it constitutes revenue or capital expenditure and only expenditure which creates or enhances an asset is determined as Capital. The Fund has been increased by the carry forward from 2012/13 of funding not awarded of £229k. The revenue budget for the year has been fully allocated and a transfer of £300k of resources has been undertaken from capital to revenue to support the increased number of revenue projects being put forward by residents. The use of this fund will continue to be monitored and reported during the year and the effect on both the revenue and capital budgets considered accordingly.

	Capital £000's	Revenue £000's	Total £000's
Allocation 2013/14	933	467	1,400
Allocation c/fwd from 2012/13		229	229
Schemes approved to date:	(258)	(1,017)	(1,275)
Transfer of budget between Revenue/Capital	(300)	300	0
<b>Balance currently available:</b>	<b>375</b>	<b>(21)</b>	<b>354</b>

### 10. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

## **11. REASONS FOR RECOMMENDATIONS**

To ensure that Corporate Management Board are aware of the projected budgetary position for the Authority for the current year including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the Council's finances over the period of the Medium Term Financial Plan.

## **12. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **12.1 Financial Implications**

As the Section 151 Officer, the Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority, including the development of the 2014-15 budget and Medium Term Financial Plan. The monthly revenue monitoring is part of this review process and this latest monitoring report confirms that there is no deterioration in the financial position of the Authority whilst plans are in place to develop the 2014-15 budget and Medium Term Financial Plan.

### **12.2 Legal Implications**

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.

### **12.3 Property Implications**

Not applicable in this report.

## **13. KEY RISKS**

There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan:-

- Achievement of challenging savings targets.
- State of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt.
- Uncontrollable demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.

Risks associated with other services are mentioned elsewhere in this report.

## **14. IMPACT ON COUNCIL PRIORITIES**

**14.1 Fairness for All** – The recommendations in the report fully accord with this Council priority.

**14.2 Growth and Sustainability** – The recommendations in the report fully accord with this Council priority.

**14.3 Strong Communities** – The recommendations in the report fully accord with this Council priority.

## **15. EQUALITIES IMPACT IMPLICATIONS**

The Council is committed to fairness for all to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

## **16. PERFORMANCE MANAGEMENT IMPLICATIONS**

The report provides clear evidence of sound financial management, efficient use of resources.

## 2013/14 Budget &amp; Medium Term Financial Plan (£'000)

## Red &amp; Amber Savings November 2013

Ref No.	Proposal Summary (from template)	Total 2013/14	Remarks
<b>Red Savings</b>		<b>£000's</b>	
<b>Schools &amp; Children's Services</b>			
SCS S14	Prevention Strategy Impact	(100)	External Residential Child Care Placements are now forecasting an overspend due in part to a new secure welfare placement. Other savings to replace this are currently being explored.
	Management Review - Asset Management Team capitalisation	(200)	A review of staffing costs and recharges has concluded that the saving will not be achieved. Other savings to replace this are currently being explored.
<b>Total Red Savings</b>		<b>(300)</b>	
<b>Amber Savings</b>			
<b>Housing, Health &amp; Adult Social Care</b>			
HHASC S3	New Residential packages - price improvement target	(46)	OLM have sent breakdown of cost for each placement. Phase two renegotiations of 10 placements, and audits of providers who did not comply with providing the cost breakdowns. So is amber but underway.
HHASC S2	PD Service Review of Residential Placements	(39)	Original negotiations with provider undelivered, proposal is to commission OLM to support in delivery of required saving target.
<b>Chief Executive</b>			
CE6	Increased design and print income	(50)	Income levels are being closely monitored for this service. Until the income is "banked" the saving traffic light remains amber.
<b>Total Amber Savings</b>		<b>(135)</b>	
<b>Total Red / Amber Savings</b>		<b>(435)</b>	