

MUNICIPAL YEAR 2013/14 REPORT NO: 229

MEETING TITLE AND DATE:

Cabinet: 9th April 2014

Report Of:

Director of Finance, Resources and Customer Services

Contact:

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AGENDA PART 1

ITEM: 6

**Subject: Revenue Monitoring Report
2013/14: February 2014**

Wards: All

Cabinet Member consulted:

Cllr Stafford

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue monitoring position of level spend based on information to the end of February 2014.
- 1.2 The figures include proposed departmental carry forward requests. These will be considered and agreed as part of the 2013/14 Revenue Outturn Report to Cabinet in July.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the revenue outturn balanced budget projection for 2013/14.
- 2.2 Agree the allocation of £533k from Central Contingency to Schools and Children's Services in respect of the overspend on No Recourse to Public Funds (Section 5.6) and that this pressure will be met centrally in future years.
- 2.3 Agrees that the Cabinet Members for Children and Young People and Finance & Property take the decision on the allocation the one-off grants for Special Educational Needs & Disability Reform and Adoption Reform set out in Section 10 of this report.

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		
		December	January	February
Income and expenditure position	• Year-end forecast of level spend as at the 28 th February in relation to General Fund net controllable expenditure.	Green	Green	Green
	• Improved focus on budget profiling across all departmental budgets continued to be applied in order to better reflect predicted net spending patterns throughout the year.	Green	Green	Green
	• The HRA is projecting a £2.032m 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).	Green	Green	Green
Balance Sheet	• 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.	Green	Green	Green
	• The year-end projections for General Fund balances are in line with the Council's Medium Term Financial Strategy target levels.	Green	Green	Green
Cash flow	• 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.	Green	Green	Green
	• Interest receipts forecast for the year are on target with budget.	Green	Green	Green

4. FEBRUARY 2014 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

February 2014	Net Controllable Budget				
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	Projected Variation
Department	£000s	£000s	£000s	£000s	£000s
Chief Executive	3,525	160	3,685	3,685	0
Environment	27,628	2,019	29,647	29,647	0
Finance, Resources & Customer Services	41,449	3,311	44,760	44,760	0
Health, Housing and Adult Social Care	95,697	3,397	99,094	99,094	0
Regeneration, Leisure & Culture	8,974	423	9,397	9,397	0
Schools & Children's Services	54,096	1,992	56,088	56,088	0
Total Department Budgets	231,369	11,302	242,671	242,671	0
Contribution to / from balances	0	(2,374)	(2,374)	2,626	5,000
Collection Fund	(1,086)	0	(1,086)	(1,086)	
Corporate Items	29,282	(8,928)	20,354	15,354	(5,000)
Government Funding	(163,223)	0	(163,223)	(163,223)	0
Council Tax Requirement	96,342	0	96,342	96,342	0

These figures take into account provisional departmental carry forward requests summarised below:

-Project carry forward proposals ¹	£2.6m
-Carry forward of unspent grant allocations	£4.2m
Total	£6.8m

These will be considered in detail and agreed as part of the 2013/14 Revenue Outturn Report to Cabinet in July. This excludes the ring-fenced Dedicated Schools, Public Health and Social Care Grants that are still being finalised (these will not impact on the final outturn position).

¹ Excludes Tech Refresh allocation to be finalised at outturn.

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & 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 are detailed below:

- +£210k – Sustained loss of income from Building Control fees due to the continuing low level of building construction activity in the current economic climate.
- +£230k – Continued under achievement in Planning fees as a result of recent changes in planning regulations and a decrease in number of major planning applications.
- +£90k – The under achievement in Parking receipts is due to a reduction in revenue, with the movement from last month due to a reduction in the number of CCTV Penalty Charge Notices in February.
- -£86k - There are a number of factors that have created an under spend in the Business & Technical Services Unit. These include an over achievement in GIS income, temporary vacancies, secondments and delays in recruitment.
- -£246k – Underspend in Waste Operations due to delay in recruitment within Street Cleansing and a reduction in clinical waste collection costs following the change in the routing of work from 5 days to 2 days per week.
- -£74k - Over achievement of cemeteries income in Parks client due to the increased supply of traditional burial plots at Edmonton Cemetery.
- -£50k – Underspend in Fleet management has been caused by delays in recruitment to vacant posts in the workshop service
- -£231k – One-off underspend in leasing budget 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.

5.3 Finance, Resources & Customer Services

The department is currently projecting a balanced budget. 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). This will be drawn down from contingency.
- Property Services also has incurred additional expenditure from the increased provision of security including boarding-up and CCTV costs to protect Council sites (+£400k).

5.4 Health, Housing & Adult Social Care

The department is forecasting a balanced budget. This position includes the anticipated approval of all departmental carry forward requests. The forecast also includes the delivery of net savings of £4.68m, in a climate of increasing levels of referrals and rising demand for social care services.

Explanations for variances/ movements over £50k are detailed below:

- -£521k- Strategy & Resources continue to forecast a year end underspend, arising from the early achievement of housing related support savings, maximising one-off resources and reduced commitments across the service.
- +£375k- The Learning Disabilities service continue 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.
- +£413k- Older people and Physical disabilities (the Customer Pathway) are projecting care purchasing overspends against a net budget of £30m.
- -£267k- The Provider service continues to project an underspend position due to an over achievement of income from client receipts and reduced operational costs.

The departmental forecast excludes a number of HHASC 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, based on the Q3 spending plan with an additional one-off contribution of £2.1m in 2014/15 to cover demographic pressures (rising to a cumulative contribution in the Council Medium Term Financial Plan 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 £834k. The movement in month of £50k is due to an increase in non-contracted sexual health services. It should be recognised that there is a material risk associated with the demand led PH services which may impact of year end forecast, particularly for sexual health services and ongoing discussions with Enfield Clinical Commissioning Group on prescription costs. The Public Health grant is ring fenced and as per the Department of Health guidance underspends will be carried forward into the next financial year to meet the grant conditions.

Community Housing

There is currently a projected overspend of £50k 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 £364k on the rental portfolio (Gross overspend £3.013m less funding of £2.649m) and this is due to the increased cost of temporary accommodation procurement. In addition there is £173k overspend on bad debt provision.

The overspend is offset by £200k underspend on furniture storage and repairs due to reduced numbers of Private Sector Leases; £83k of deposits have been recovered from private landlords and £204k managed underspends on other service budgets.

This budget pressure is after the allocation of Discretionary Housing payments (DHP) made to tenants to offset the bad debt pressure in 2013/14.

5.5 Regeneration, Leisure & Culture

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

5.6 Schools & Children's Services

Departmental (General Fund Budget)

Schools and Children's Services are currently projecting a level spend for 2013/14.

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 £265k is anticipated based on a continuation of the higher uptake of school meals.
- School Uniform Grant – An underspend of £52k is anticipated due to continuing low uptake of the grant.
- Early Years' Service – an underspend of £255k 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 £78k.
- Progression & Pathways – An underspend of £80k is anticipated as a result of the application of Dedicated Schools Grant funding to cover part of the staffing costs.
- Educational Welfare – An underspend of £110k is reported, the significant variances being £59k due to staff vacancies and £39k additional income.
- Asset Management – A review of staffing forecasts, consultancy costs and recharges to capital projects indicates an overspend of approximately £326k.
- The Lettings Agency team – An overspend of £127k is forecast as a result of cover for maternity leave plus a reduction in income from schools and academies.
- Schools Project Team – A £113k overspend is reported as a result of staffing costs that cannot be recharged to projects plus other expenses on surveys and valuations.
- Children & Adolescent Mental Health – A projected underspend of £53k is as a result of a decrease of £81k in the anticipated recharge from the Mental Health Trust offset by an overspend within the main EPS salary budget of £28k as a result of a non-achievement of vacancy factor.
- Children's Centres Development Team - A saving of £209k is projected against the commissioning budget as a result of a planned reduction in spend.
- Young Peoples Substance Misuse Grant – An underspend of £84k results from a carry-forward of resources from 2012-13 that are no longer required.
- Strategy, Planning & Performance – An overspend of £174k is due to a delay in the divisional restructure. This is partly offset by the saving on the Children's Services Trust as below.

- Children's Services Trust – The early winding-up of the trust has resulted in a saving of £106k.
- External Residential Child Care Placements –The projected overspend has increased by £10k this month to £528k. This is mainly due to an additional high cost residential home placements for challenging children who cannot be placed in foster care.
- Director – Consultancy costs have resulted in an overspend of £50k.
- Prevention of Care Section 17 – The budget is underspending by £64k mainly as a result of the £114k contribution to fund significant amounts of S17 expenditure for housing rents and deposits from the Discretionary Housing Payments budgets.
- No Recourse to Public Funds – this budget will now be dealt with as a corporate pressure. The overspend of £533k will therefore be fully met by an allocation for the Central Contingency. This arrangement will continue in future years. The pressure arises due to an increase in the number of families being supported due to Home Office delays in resolving the immigration status of these clients. We have supported 109 families during 2013/14 which is an increase of 3 families since last month.
- In House Fostering – is projecting an underspend of £67k. This is partly due to use of an earmarked reserve of £160k which was set aside from the 2012/13 departmental underspend to offset a potential increase in the allowances payable to connected carers (friends and families) following the Tower Hamlets judgement in 2013. The projection now includes provision for the increase in allowances to these carers subject to them completing the necessary training. There were 4 new foster placements in February which were offset by savings within the staffing projections.
- Adoption – An underspend of £65k is forecast following a review of outstanding allowances due to adopters and a reduction in staffing costs.
- Section 20 – Additional LAC Placement Expenses– A projected underspend of £200k is based on current spending levels.
- Leaving Care – The service is projecting an overspend of £134k due to increasing numbers of clients and placement breakdowns requiring accommodation and support.
- Unaccompanied Asylum Seeking Children – is projecting an overspend of £192k. We are now supporting an additional 486 UASC client weeks above the original budget and the average costs of supporting them has also increased by £223 per week. The overspend 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 (UASC) now 18+. This service is projecting an overspend of £161k. 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 £176k as a result of staffing vacancies and a review of running expenses across the service.
- Joint Service for Disabled Children – Cheviots – This service is now reporting an underspend of £79k following a review of service user requests for its overnight breaks service, play scheme and transport needs.
- 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.
- Children's Division Management – a review of commitments from this cross division budget has identified an underspend of £67k.

Departmental Risks

- The LAC, Leaving Care and UASC external care purchasing budget projections may show increased spending as a result of any new placements required during March or if exiting placements are extended beyond the end of March.
- 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.
- 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.
- Transport – Discussions are ongoing between Schools & Children's Services and Environment to finalise the recharge. Currently there is an estimated pressure in the region of £280k which is not included in the forecast outturn.

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

The Schools Budget is currently projecting an underspend of **£139k**. The substantial items are:

Special Needs Education - Net underspend £2k. Underspends of £511k,

£191k, £108k and £30k are currently reported respectively for Independent Residential, Independent Day Services, Peripatetic and Mainstream Services due mainly to the release of contingency provisions not required. These underspends are reduced by overspends of £69k for Day Recoupment as a result of increasing client numbers, £19k within SEN equipment as a result of a February request plus £750k projected additional costs for Speech & Language Therapy costs.

Admissions - An underspend of £53k is reported due to staff vacancies and IT savings.

Carbon Reduction Credits- A forecast overspend of £50k is based on last year's actual charge.

A net overspend of £109k is reported by Schools Repairs & Maintenance, the main item being an overspend of £146k as a result of fire precaution works and costs associated with potential litigation within Secondary Schools.

Hire of External Premises. A £210k overspend is forecast, the main items being the need for temporary accommodation at a number of expanding schools plus unbudgeted security and energy costs for the Bell Lane site prior to its transfer to ARK John Keats Academy.

Nursery Education Grant. An £59k overspend is reported based on latest pupil numbers and projections.

Schools Contingency - Net Underspend-£94k. An underspend of £120k created by unrequired contingency is reduced by an overspend of £26k in respect of the Schools Procurement Manager joint venture with the London Borough of Waltham Forest.

Additionally Resourced Provision (ARP). The delayed rollout of additional ARPs will result in an estimated underspend of £400k against contingency.

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, which 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 and at over the last two months.

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 level of Short term borrowing is likely to increase during March if there are opportunities to borrow at attractive rates.

The Treasury Management position as at 28th February is set out below:

	Position November £m	Position December £m	Position January £m	Position February £m
Long term borrowing	266.2	266.8	267.0	267.0
Short-term borrowing	37.0	37.0	33.0	27.0
Total borrowing	303.2	303.8	300.0	294.0
Total investments	(73.7)	(57.3)	(48.5)	(58.5)
Net debt	229.5	246.5	251.5	235.5

London Borough of Enfield Investments at 28th February 2014

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
Call Accounts						
Royal Bank of Scotland PLC	£12,500,000		On demand	0.50%	1	A
Svenska Handelsbanken	£12,500,000		On demand	0.60%	1	AA-
Money Market Funds						
Ignis	£6,000,000		On demand	0.44%	1	AAAm
Termed Deposits						
Barclays Bank PLC	£7,500,000	10 th April 13	9 th March 14	0.82%	9	A
Nationwide Building Society	£7,500,000	12 th April 13	11 th April 14	0.72%	42	A+
Lloyds Bank PLC	£7,500,000	7 th May 13	7 th May 14	0.75%	68	A
Lloyds Bank PLC	£5,000,000	15 th Oct 13	22 nd April 14	0.75%	53	A
Total - Investments	£58,500,000		Average	0.64%		
Number of Investments	7					

London Borough of Enfield Short Term loans at 28th February 2014

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Humber Bridge Board	£2,000,000	28 th Mar 2013	27 th Mar 2014	0.40%	27
Hertfordshire County Council	£5,000,000	30 th Oct 2013	30 th July 2014	0.46%	152
Wokingham Borough Council	£3,000,000	15 th Oct 2013	18 th Sept 2014	0.45%	202
Bath & Northeast Somerset District Council	£5,000,000	4 th Oct 2013	3 rd Oct 2014	0.47%	217
South Yorkshire Joint Secretariat	£5,000,000	10 th Oct 2013	8 th Oct 2014	0.45%	222
South Yorkshire Joint Secretariat	£5,000,000	9 th Oct 2013	9 th Oct 2014	0.45%	223
Solihull MBC	£2,000,000	29 th Oct 2013	28 th Oct 2014	0.45%	242
Total	£27,000,000		Average	0.45%	

6.2 Corporate Items (Including Capital Financing, Contingency & Contingent Items) General Fund

The Council maintains a general contingency of £1.0m and 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. Capital financing including debt repayment and interest is also held under Corporate Items.

Corporate funding needs to be set aside in reserves to meet a number of approved commitments agreed throughout 2013/14 having an impact in future years including Local Plans, Homelessness pressures, Lea Valley Heat Reserve Project and a number of planned transformational initiatives. This is highlighted in Table 2 as a contribution to reserves, and does not impact on the overall financial position.

7. HOUSING REVENUE ACCOUNT (HRA) PROJECTED £2.032m UNDERSPEND

Based on the revised figures provided by Treasury Management, the HRA cost of capital is projected to overspend by £9k.

An overspend of £60k on the council tax payments budget has been identified, this is as a result of an increase in void properties due to Estate Renewal decants.

Due to an increase in the Right to Buys estimate from 40 to 90 units, we are forecasting additional income of £140k. The decrease in fire insurance premiums has resulted in savings of £160k. The above underspends are offset by an £127k increase in Enfield Homes Corporate IT charges and a provision of £150k to cover the potential under payment of Enfield Homes VAT payable to HMRC.

Additional income of £85k from shop rents is forecasted based on revised estimates from Spencer Craig (HRA Shops Management Company).

The income in Garages Rent projection has been revised based on more up to date information from Northgate systems and voids data resulting in an underspend of £85k on the rent budget and a £50k overspend on the garages budget.

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.

Repairs & Maintenance currently show an underspend of £458k, this is mainly due to more controlled budget monitoring, a more effective programme of works and a full review of the average cost data being used.

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 £12.70m of savings (97%) are classified as Blue or Green (on course for full achievement). £146k are currently Amber with £300k currently classed as Red. Appendix 2 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: February 2014

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
Chief Executive	0	0%	0	0%	(50)	13%	(343)	87%	(393)
Environment	0	0%	0	0%	(265)	19%	(1,119)	81%	(1,384)
Finance & Corporate Resources	0	0%	0	0%	(75)	5%	(1,367)	95%	(1,442)
Housing, Health & Adult Social Care	0	0%	(146)	3%	(39)	1%	(4,781)	96%	(4,966)
Regeneration, Leisure & Culture	0	0%	0	0%	0	0%	(543)	100%	(543)
Schools & Children's Services	(300)	12%	0	0%	(560)	23%	(1,555)	64%	(2,415)
Corporate	0	0%	0	0%	(2,004)	100%	0	0%	(2,004)
Total Savings for 2013/14	(300)	2%	(146)	1%	(2,993)	23%	(9,708)	74%	(13,147)

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 £242k. 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.

Position as at 28th February 2014:	Capital £000's	Revenue £000's	Total £000's
Allocation 2013/14	933	467	1,400
Allocation c/fwd from 2012/13		242	242
Schemes approved to date:	(286)	(1,177)	(1,463)
Transfer between revenue / capital	(300)	300	0
Balance currently available:	347	(168)	179

10. Revenue Budget Update 2014/15

A Special Educational Needs and Disability Reform Grant of £545,000 has been allocated to Enfield from the Department for Education (DfE) for 2014/15 only. Whilst the grant is not ring fenced it is provided by the DfE to help Local Authorities implement the wide-ranging reforms which will become a statutory requirement from September 2014. SCS have developed proposals for allocation of the grant to meet these requirements.

Enfield has also been awarded an Adoption Reform Grant of £390,000 by the Department for Education (DfE) for 2014/15 only. Whilst the grant is not ring fenced it is provided by the DfE to 'recognise programmes of change in the area of adoption'. The Government investment in adoption and child permanence recognises the rapidly evolving legal and practice changes required by the reform of the family justice system and the Children and Families Bill currently before Parliament. SCS have developed proposals for the allocation of the grant to meet these.

It is recommended that the Cabinet Members for Children and Young People and Finance & Property take the decision on the allocation of these grants through delegated action authority.

11. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

12. REASONS FOR RECOMMENDATIONS

To ensure that Members 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. 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.

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.

APPENDIX 1

**2013/14 Budget & Medium Term Financial Plan (£'000)
Red & Amber Savings February 2014**

Ref No.	Proposal Summary (from template)	Total 2013/14	Remarks
Red Savings		£000's	
Schools & Children's Services			
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.
Total Red Savings		(300)	
Amber Savings			
Housing, Health & Adult Social Care			
HHASC S3	New Residential packages - price improvement target	(46)	OLM have sent breakdown of cost for each placement. Phase two re-negotiations of 10 placements, and audits of providers who did not comply with providing the cost breakdowns. So is amber but underway.
HHASC S5	Electronic Monitoring System	(100)	P.Kettless to update on progress (issue with not all providers using EMS). 13.01.2013 - Suzanne reporting that only £30k of savings achieved to date, no projection for remainder of the year.
Total Amber Savings		(146)	
Total Red / Amber Savings		(446)	