

## MUNICIPAL YEAR 2014/2015 REPORT NO:112

### MEETING TITLE AND DATE:

Cabinet: 12<sup>th</sup> November 2014

### Report Of:

Director of Finance, Resources and Customer Services

### Contact:

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### AGENDA PART 1

### ITEM 6

**Subject: Revenue Monitoring Report  
2014/15: September 2014 &  
2015/16 Financial Update**

**Wards: All**

**Councillors Consulted:**

**Councillor Stafford**

### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of September 2014. The report forecasts an outturn position of £2.5m overspend for 2014/15 subject to action plans to contain budget pressures.
- 1.2 It also updates Cabinet on the Medium Term Financial Plan and the budget consultation.

### 2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the £2.5m overspend revenue outturn projection
- 2.2 Notes that specific work is in hand to identify mitigating actions for the projected overspends within Schools & Children's Services and Finance, Resources & Customer Services.
- 2.3 Notes the progress made to date in the preparation of the 2015/16 budget.
- 2.4 Agrees the new savings proposals for 2015-16 set out in Appendix D.

### 3. BACKGROUND

- 3.1 This report updates Cabinet on the financial outlook for the Council taking into account the Council's regular revenue monitoring report to the Corporate Management Board and Cabinet. The monitoring reports provide a snapshot of the revenue position for each Department and for the Council as a whole, and provide information on any projected additional budget pressures and risks, or any significant underspends both in the current and future years. In addition, future financial pressures and opportunities are constantly reviewed so as to update the Council's Medium Term Financial Plan and provide a basis for setting the following year's revenue budget and council tax.

#### **Revenue Monitoring 2014/15**

- 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. The intention of this is to provide the key highlight messages in a “dashboard” style summary. 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		
		July	Aug	Sept
Income and expenditure position	<ul style="list-style-type: none"> <li>• Year-end forecast variances of £2.5m 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>	Red	Red	Red
	<ul style="list-style-type: none"> <li>• 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 14-15 are correct.</li> </ul>	Amber	Amber	Amber
	<ul style="list-style-type: none"> <li>• The HRA is projecting a £346k surplus for year-end outturn against budget.</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 assumed in the Council's Medium Term Financial Strategy will be dependent on bringing the income and expenditure back to the planned spending position.</li> </ul>	Green	Amber	Amber
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. September 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 / Spend**

<b>September 2014</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>Department</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Chief Executive	3,423	0	3,423	3,423	0
Environment	27,405	1,685	29,090	29,262	172
Finance, Resources & Customer Services	46,668	568	47,236	47,738	502
Health, Housing and Adult Social Care	92,094	61	92,155	92,155	0
Schools & Children's Services	49,635	1,880	51,515	53,357	1,842
<b>Total Department Budgets</b>	<b>219,225</b>	<b>4,194</b>	<b>223,419</b>	<b>225,935</b>	<b>2,516</b>
Collection Fund	319	0	319	319	0
Corporate Items	33,986	(4,194)	29,792	29,792	0
Government Funding	(155,932)	0	(155,932)	(155,932)	0
<b>Council Tax Requirement</b>	<b>97,598</b>	<b>0</b>	<b>97,598</b>	<b>100,114</b>	<b>2,516</b>

The current forecast is an overspend of £2.5m. Departments must implement savings to stay within budget. The Council also maintains a working balance and specific reserves with which to deal with short term financial pressures. Ongoing pressures are built into the Medium Term Financial Plan and managed via the budget process (as discussed later in this report).

#### 5. DEPARTMENTAL MONITORING INFORMATION

Each department's detailed monitoring report is contained in Appendix A. Any department forecasting an overall overspend must formulate and implement action plans to remain within budget in 2014/15. Each department's outturn position is summarised below along with proposed actions to address overspends.

##### 5.1 Chief Executive's Department (Appendix A1)

The department is currently projecting a level spend.

##### 5.2 Regeneration & Environment (Appendix A2)

The department is currently projecting an overspend of £172k, explanations for variances over £50k are detailed in Appendix A.

### **5.3 Finance, Resources & Customer Services (Appendix A3)**

Finance, Resources & Customer Services are currently projecting an overspend in 2014/15 of £0.5m. This projection is largely due to the loss of income from across the commercial portfolio. This is as a result of redevelopment of commercial properties and continuing difficult market conditions. The position should improve in the long term once redevelopments are completed and the commercial property market recovers fully from the economic recession. The Council has provided sufficient reserves to meet this pressure in 2014/15.

### **5.4 Health, Housing & Adult Social Care (Appendix A4)**

The department is forecasting a balanced budget at year end. Currently there is a pressure of £1.5m which will be addressed through additional actions to return to run rate balance. The main forecast overspends, based upon prudent projections, are in Learning Disabilities (£0.8m), Older People and Physical Disabilities (£0.9m). The budget will continue to be managed throughout the year to reduce the forecast overspend and utilise specific HHASC reserves to meet any unavoidable cost pressures.

#### **Community Housing**

There is currently a projected nil variance for 2014/15. This is made up of £785k overspend funded by £785k specific contingency balances available, plus funding from existing reserves from within the division. This area of spend remains volatile and there has been a significant increase in the number of families placed in more expensive nightly paid temporary accommodation this year (2,340 compared to the budget of 2,059 in temporary accommodation as per the information available in September 2014 - an increase of 14%).

### **5.5 Schools & Children's Services (Appendix A5) Departmental (General Fund Budget)**

Schools and Children's Services are currently projecting a pressure of £1.842m. This arises due to increased demand for Children's services including Care Placements for Looked after Children and Leaving Care Costs (£1.5m), Social Work Teams (£0.3m) and Unaccompanied Asylum Seeking Children (UASC) and UASC aged 18+ (£0.26m). Management actions as previously reported continue to be applied in order to manage the budget and these have contributed savings elsewhere in the budget in order to minimise the forecast overspend. However numbers have risen again this month and, as previously reported, the upward trend of the demographic pressures and the increasing numbers of children presenting with complex needs are still expected to result in a significant overspend at year end. The London Directors of Children's Services are currently compiling opportunities for the further lobbying of central government in relation to these additional pressures.

### **5.6 Schools Budgets (Appendix A6)**

These variations do not form part of the General Fund position but are reported for information.

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

### **6.1 Treasury Management and cash flow analysis**

The Council has started to re-finance its short-term borrowing early in order to off-set the likely increase in the Bank of England interest which is expected to rise by the end of the calendar year.

The Treasury Management strategy continues to take a cautious approach to investing surplus funds, we spread deposits over a number of approved financial institutions (at present 11 different financial institutions). The increased level of diversity has a small negative effect on interest receipts, however, it provides a more secure and risk adverse approach and is line with ongoing concerns around the capitalisation levels of banks. A Cashflow summary position is set out in Appendix B.

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

The Council maintains a general contingency of £1.0m. The current balance remaining is £0.5m.

## **7. Housing Revenue Account (HRA) – Projected £346k surplus**

The overall HRA position is projected to be a surplus of £346k. There are three main areas of underspend – Right to Buy (RTB) Income, Repairs and Maintenance (R&M) and Supervision & Management (S&M) Special.

As previously reported, the RTB's forecast remains unchanged at 200 for 2014/15, giving total admin income of £570k. After adjustment for the budgeted costs and additional RTB admin and legal costs the projected surplus remains at £426k.

The projected underspend of £139k on S&M Special is made up of a projected underspend of £100k on energy costs and £39k in total on Sheltered Housing.

The current Repairs & Maintenance monitoring shows a projected underspend of £124k, a £67k reduction from the previous month, due to the impact of the review of the Northgate contract extensions on jobs, overheads and profits of the current contractors. There is a risk this underspend may reduce if there is a severe winter and an increase in responsive works.

As reported in the last month's monitor, the remaining balance of the underspend comes mainly from the refund of incorrectly charged Business Rates of £83k and an underspend of £30k in the under occupation budget.

The expected increase in Leaseholder Service Charges of £350k (due to more efficient billing and increase in the number of leaseholders), has now been offset by the half year adjustments for 2013/14 actuals and no increase is now expected.

It is anticipated that there will be additional council tax payable of £100k on empty properties. The Rents Dwellings income is forecast to under recover by £380k, this is an increase of £30k from last month and is due to an increase in the number of decants and RTBs.

## 8. ACHIEVEMENT OF SAVINGS

8.1 The 2014/15 Budget Report included new savings and the achievement of increased income totalling £11.0m to be made in 2014/15. To date £8.6m of savings (78%) are classified as Blue or Green (on course for full achievement). £2.2m are currently Amber with £0.12m currently classed as Red. Appendix C provides supporting information for the Amber / Red savings. The overall savings position in terms of traffic light classifications is set out below:

**Table 3: New Savings Monitor - Summary Position September 2014**

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
Chief Executive	0	0%	0	0%	(200)	100%	0	0%	<b>(200)</b>
Environment	(125)	8%	(200)	13%	(1,007)	66%	(200)	13%	<b>(1,532)</b>
Finance, Resources & Customer Services	0	0%	(89)	4%	(1,350)	61%	(792)	35%	<b>(2,231)</b>
Housing, Health & Adult Social Care	0	0%	(1,926)	37%	(1,068)	21%	(2,152)	42%	<b>(5,146)</b>
Regeneration, Leisure & Culture ( <i>Saving achieved as part of restructure</i> )	0	0%	0	0%	(217)	100%	0	0%	<b>(217)</b>
Schools & Children's Services	0	0%	0	0%	(1,234)	75%	(408)	25%	<b>(1,642)</b>
<b>Total Savings for 2014/15</b>	<b>(125)</b>	<b>1%</b>	<b>(2,215)</b>	<b>20%</b>	<b>(5,076)</b>	<b>46%</b>	<b>(3,552)</b>	<b>32%</b>	<b>(10,968)</b>

8.2 Savings agreed as part of previous budgets total £12.6m. £11.6m (91%) of these are traffic lighted as green or blue on course for achievement. £1.0m are red /amber and are currently being reviewed by directors.

## 9. ENFIELD RESIDENT'S PRIORITY FUND

The Priority Fund budget for 2014-15 was agreed at £500k with an additional £200k from 2011-12 underspends as part of the February 2014 Budget report. The fund, held in an Earmarked Reserve, has been increased by the carry forward of 2013-14 budget not awarded in year of £34k. An analysis of the fund as it currently stands for 2014-15 is shown below:

Resident's Priority Fund- Sept 14	£000's
Allocation 2014-15	700.0
Allocation c/fwd from 2012-13	34.7
Schemes approved to date:	(27.3)
<b>Balance currently available:</b>	<b>707.4</b>
Bids currently submitted for approval:	112.5

## **10. 2015-16 FINANCIAL UPDATE.**

10.1 Cabinet, on 23rd<sup>th</sup> July 2014 as part of the Revenue Outturn Report 2013/14 were updated on the preparations for the setting of the 2015-16 Revenue Budget and Review of the Medium Term Financial Plan.

The update set out the latest position regarding the 2015/16 Medium Term Financial Strategy and the approach to be adopted for the budget consultation.

10.2 Directors have now identified and agreed £8.989m of savings with Portfolio Members and these are attached in Appendix D for approval. The October Cabinet report agreed the adoption of the Enfield 2017 programme which will deliver £15.1m of savings in Year 1, the breakdown of these savings is included in Appendix E. Once agreed, where possible, savings in Appendix D will be implemented in 2014/15. Further savings will be subject to appropriate governance arrangements.

10.3 The budget covers the next 4 years from 2015-16 to 2018-19 and is constantly evolving with future pressures and budget assumptions being updated as the financial picture continues to develop. Since the Cabinet meeting in July, work has progressed so that the latest draft 2015/16 Budget and Medium Term Financial Plan has been updated to take account of the changing position where a variety of government initiatives have an impact on the delivery of a balanced budget. Specific areas of review are:

- London Councils technical analysis of the Local Government Settlement and Government funding announcements providing a better understanding of CLG's illustrative grant figures for 2015/16 and the Treasury's general public spending indications for later years. All indications are that reductions in public spending will continue and cover the period of the Medium Term Financial Plan.
- Future price inflation, pay awards and changes to employers National Insurance contributions.
- The financial implications of the Capital Programme and alternative funding options to enable investment targets to be met
- Borrowing costs relating to new capital investment and options to capitalise interest over the life of major projects.
- The achievement of the 2014/15 budget savings and realisation of planned savings over the next four years.
- New risks and pressures emerging since the Council set the Medium Term Financial Plan in February 2014. Specifically in relation to the Care Act 2014 and the on-going adverse impact of welfare changes creating service pressures on temporary accommodation.
- The framework for the development of the budget must be robust and in line with service delivery requirements.
- Risk management is a key part of the process and council reserves, contingencies and balances must be set to ensure continued financial stability.

## **10.4 The Budget And Medium Term Financial Plan (MTFP)**

The following section sets out the changes to the MTFP since the July report including savings identified to bridge the gap reported in July and latest assumptions on the Council's future funding in the light of the issues raised in the previous section.

### **Local Government Finance**

The 2014/15 Budget and Financial Outlook reported to Cabinet on 23rd July commented upon the latest understanding on changes that will apply to the Local Government Finance Settlements for 2015/16. Since then there has been a technical consultation on minor aspects of the 2015/16 Settlement including confirmation that the 2014/15 Council Tax Freeze Grant will be rolled into Revenue Support Grant in 2015/16.

The London Enterprise Partnership has also agreed that the 2015/16 top-slicing of £70m New Homes Bonus from London Boroughs NHB allocations will be returned to each borough subject to schemes meeting the LEP's objectives on employment etc. Based on London Council work Enfield's NHB top-slice could be around £1m in 2015/16.

Enfield Council is currently lobbying CLG in partnership with other North East London Borough's regarding the unfairness of the Settlement compared to Western Boroughs. At this stage no gains can be anticipated given the Government's past intransigence on this issue.

### **Care Act 2014**

Consultation on the allocation of 2015/16 funding has been issued by the Department of Health. The exemplified allocation of £1.2m is £0.3m less than the provisional figure in the 2015/16 Illustrative Local Government Finance Settlement. This is a far smaller variation than many other councils where swings of 34% have resulted from the proposed formula allocation methodology. The Council responded to the consultation emphasising the key issue was underfunding of the cost of the Act identified by the LGA, ADASS and London Councils. The outcome of the consultation will be updated in the MTFP once announced.

### **Temporary Accommodation**

There is a significant risk that TA costs will increase in the next 3 years resulting in a significant pressure on the General Fund. The updated MTFP includes a £1.5m net additional pressure in 2016/17 which will need monitoring. Additional work is currently being undertaken to consider alternative measures to reduce this pressure in the future.

### **Pay and Inflation**

The latest CPI September CPI is 1.2% and RPI 2.3%. The LGA employers NJC offer is for a general 2.2% awards for two years 2014-16. The HAY pay submission is for 1% in 2014/15. Based on these low percentages it is recommended that officers review the provisions in the MTFP for updating in the final recommendations to Council in February. Any reductions will need to be balanced against the risk of higher inflation and awards in the MTFP and the need to maintain balances to offset any potential overspend.

## 10.5 Identification of Revenue Savings

Proposals for new savings of £8.989m have been identified for 2015/16. These savings are at a stage where they can be recommended now and are set out in Appendix D for approval. If agreed, they will be implemented as soon as possible subject to governance requirements and consultation as necessary.

10.6 The Enfield 2017 savings (Appendix E) agreed at Special Cabinet in October of £29.2m (£15.1m 2015/16, £7.05m 2016/17 & £7.05m 2017/18) are now included in the Medium Term Financial Plan and will be implemented as soon as practicable.

The 2014/15 Budget Report to Council presented the Medium Term Financial Plan including the estimated 2015/16 full year effect of savings and pressures proposed in previous years totalling £1.186m.

## 10.7 Budget Position Following the Savings Review

The budget position following the initial savings review is shown in the table below. 2015/16 is currently showing a budget gap of £7.8m but this may change if new pressures or opportunities are identified including any changes to the Illustrative Local Government Finance Settlement 2015/16 provided so far by the Government. The Government's 2015/16 Spending Round and subsequent Budget did not include any indicative figures for local government funding. However, recent analysis by London Councils and experience gained following two years of the new financial regime has allowed future year funding allocations to be assessed with greater confidence and updated in the MTFP. The Council is currently working on savings options for the four years for the 2015/16 MTFP including these updates.

Cabinet should also note that it has agreed to progress a number of new capital projects including the Meridian Water Projects, The Lea Valley Heat Network and the Primary Expansion Plan Phase 2. The delivery of all these projects is dependant on future capital resources, which may have revenue financial implications (including short term pressures from invest to save projects) in later years which will add to the pressures already included in the Medium Term Financial Plan. Opportunities are being investigated to identify new streams of capital financing and investment to support the achievement of the Capital Programme. The capitalisation of interest to spread the revenue cost of major schemes is also being reviewed to see if any material savings can be generated.

<b>Medium Term Financial Plan Pressures</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>Total £'000</b>
<b>North London Waste Authority</b> Increasing cost in relation to the disposal of waste.	2,402	0	0	0	2,402
<b>New Demographic pressures</b> This pressure continues year on year in order to meet increased demand for Council services. This includes services to older people and those with disabilities.	1,410	1,580	2,000	0	4,990
<b>Price Inflation &amp; pay awards</b> The rate of inflation is currently 1.2% (September CPI). 2015/16 also includes provision for extending the payment of the London Living Allowance and potential £2m employers national insurance increase in 2016/17.	4,054	2,600	2,500	2,500	11,654
<b>Capital financing including interest charges</b> Investment in schools, regeneration and highways improvements which is met by new borrowing and is repaid over the life of the asset.	3,027	2,346	1,532	1,193	8,098
<b>Welfare reform - temporary accommodation</b> Temporary Accommodation budget pressure	0	0	1,462	0	1,462
<b>Local Plan later years not met from reserves</b> Cost of the Local Development Scheme which sets out the programme for the preparation of Enfield's Local Plan.	933	(479)	(454)	0	0
<b>Contracted out national insurance rebate abolished</b> Employers National Insurance pressure in 2016/17.	0	2,000	0	0	2,000
<b>Other Items</b>	162	10	11	0	183
<b>Total</b>	<b>11,988</b>	<b>8,057</b>	<b>7,051</b>	<b>3,693</b>	<b>30,789</b>
<b>Reduction in Government funding</b> Loss of income from the Government from budget reductions and the fall out of Council Tax Freeze Grants	21,207	12,620	10,327	9,781	53,935
<b>Total Pressures</b>	<b>33,195</b>	<b>20,677</b>	<b>17,378</b>	<b>13,474</b>	<b>84,724</b>
<b>Council Tax and savings:</b>					
Full year savings identified in previous year's budgets	1,186	(554)	14	0	646
Collection Fund	(319)	0	0	0	(319)
Council Tax (0% 15/16 & 1% for future years )		(976)	(976)	(976)	(2,928)
Proposed savings to be agreed as set out in Appendix D	(8,989)	(3,922)	(2,033)	27	(14,917)
Assumed Council Tax Freeze Grant 2015/16	(1,204)	1,204	0	0	0
Enfield 2017 Savings	(15,100)	(7,050)	(7,050)	0	(29,200)
Departmental savings targets still to be realised	(964)	(157)	(3,967)	0	(5,088)
<b>Latest Medium Term Financial Plan Resource Gap</b>	<b>7,805</b>	<b>9,222</b>	<b>3,366</b>	<b>12,525</b>	<b>32,918</b>

## 10.8 Budget Consultation

### Enfield Spending Review

As in previous years the Council is committed to consulting local residents on its budget plans and the 2015/16 Budget Consultation Process is currently underway. A number of initiatives have already been launched including the Budget Simulator, an online budget calculation tool available on the carousel of the Council's website. A number of Focus groups have also been set up for November and members of the public are being invited to attend and give their view on the Council's priorities.

The budget consultation survey will be included in the November version of

Our Enfield ensuring that the consultation is open to all residents of Enfield.

### **Consultation at Key Public Meetings**

A number of briefing sessions will be held throughout November and December for members of the public, to increase their awareness of the budget and allow them register their opinions. The consultation will seek the views on all the Council's priorities as part of the 2015/16 budget process and will explain the budget pressures facing the Authority in the coming years and what action is currently being taken to address these pressures and balance the budget in future years.

There will also be engagement with all our key stakeholders via the Budget Consultation on the Council's web site for ratepayers, partners and interest groups in order to ensure the options on the budget are considered by as wide an audience as possible. This is absolutely key to the process as the future funding limitations will require joint working with our partners to deliver priorities in a cohesive way that meets the expectation of our clients.

### **Outcomes**

The feedback from all these consultation processes will be put together and presented to the Budget Scrutiny Commission in January 2015. This feedback will then directly inform decision making on where funds will be prioritised and which savings measures will be adopted in the budget report to Council in February 2015.

## **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 and future years 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. The recommendations if approved will allow the Authority to move forward with the development of the 2015-16 budget and Medium Term Financial Plan.

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

### **13.1 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 2015-16 budget and Medium Term Financial Plan. The monthly revenue monitoring is part of this review process and this latest monitoring report presents the overall position at this point in time. This report sets out the plans to manage the 2015-16 budget and Medium Term Financial Plan.

### **13.2 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.

### 13.3 **Property Implications**

Not applicable in this report.

## 14. **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, Welfare Benefits etc.
- Potential adjustments which may arise from the Audit of various Grant Claims.
- Government public spending plans
- Movement in interest rates.

Risks associated with specific Services are mentioned elsewhere in this report.

## 15. **IMPACT ON COUNCIL PRIORITIES**

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

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

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

## 16. **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.

The Council does not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction.

The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination. Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

Each individual savings proposal for 2015/16 has been subject to an equalities impact assessment if it is considered that the savings will have an impact on services to the public.

## **17. PERFORMANCE MANAGEMENT IMPLICATIONS**

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

**Appendix A1**

<b>Chief Executive</b>	<b>Forecast Budget Variation September 2014 (£'000)</b>
The department is currently projecting a level spend. There are no current budget variances over £50k to report.	
<b>Chief Executive Total</b>	<b>0</b>

## Appendix A2

Regeneration & Environment	Forecast Budget Variation September 2014 (£'000)
<b>Parking-</b> the overspend in Parking is mainly due to a reduction in car parks receipts and increase in contractor costs. The projection is based on assumptions for the collection of back dated parking arrears (£200k) and may be subject to alteration during the year once collection performance is quantified.	166
<b>Vehicle Leasing-</b> one-off underspend for 2014/15 only 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.	(332)
<b>People's Transport-</b> Overspend in People Transport Service due to delay in contract award for buses and taxi service. Also due to the procurement and implementation of a new routing solution to replace the current manual processes in the People Transport Service which should deliver efficiencies.	235
<b>Other Variations:</b>	103
<b>Environment Total</b>	<b>172</b>

**Appendix A3**

<b>Finance, Resources &amp; Customer Services</b>	<b>Forecast Budget Variation September 2014 (£'000)</b>
<b>Property Services</b> - due largely to loss of income from across the commercial portfolio notably New Southgate Estate (Ladderswood), Bus Shelter information Panels, Palace Garden Development and some units in Claverings Estate. This is as a result of redevelopment strategies and prevailing market conditions.	450
<b>Corporate Governance</b> - due to loss of income from the Metropolitan Police which cannot be adjusted by a reduction in expenditure.	55
Other Variations	(3)
<b>Finance, Resources &amp; Customer Services Total</b>	<b>502</b>

Health, Housing and Adult Social Care	Forecast Budget Variation September 2014 (£'000)
<p><b>Adult Social Care</b></p> <p>Key assumptions within the forecast are based on projected activity and year to year trends, which suggest that this is a prudent projection at this point in the financial year. An additional risk in 2014/15 is as a consequence of the recent Cheshire West Supreme Court ruling has been the broadening of what is considered a Deprivation of Liberty. This ruling has had a major impact on all English Councils who have a responsibility for Adult Social Care and we are expecting and have already seen a significant increase in the number of people who require a DoLs. The current anticipated cost to Enfield could be up to circ. £900k.</p>	
<p><b>Strategy &amp; Resources</b> - The service is projecting and underspend on Housing Related support contracts (-£363k), due to the early achievement of future year savings. However, this underspend has been offset by projected expenditure due to increase in DoLs applications ( £107k).</p>	(256)
<p><b>Learning Disabilities-</b> the service continues to project an overspend position as a result of managing demand lead services. The service operates a monthly efficiency programme that reviews progress against savings and manages demand for services during the year.</p>	846
<p><b>Older people and Physical disabilities (the Customer pathway)-</b> The service is projecting care purchasing overspends against a net budget of £28m. The movement in month is £208k, this is due to a variations in client packages. These are only forecast projections and will continue to be reviewed throughout the year against the known activity. There is also pressure as a result of an increase in Safeguarding Adults referrals.</p>	889
<p><b>Public Health Grant</b></p> <p>The departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2014/15 is £14.2m. The Public Health service is projecting to budget for 2014/15. It should be recognised that there is material risk associated with the demand led PH services which may impact on year end forecast, particularly for sexual health services and ongoing discussions with Enfield CCG on prescription costs. The Public Health grant is ring fenced and as per the Department of Health guidance underspends will be carried forward in to the next financial year to meet the grant conditions.</p>	
<p>Use of reserves</p>	(1,479)
<p><b>Adult Social Care &amp; Public Health</b></p>	<b>0</b>

## Appendix A4

Health, Housing and Adult Social Care	Forecast Budget Variation September 2014 (£'000)
<b>Community Housing</b>	
The Community housing base budget was increased by £4.1m from 2013/14 to 2014/15 and in addition a contingency of £763k was set aside for temporary accommodation.	
<b>Temporary Accommodation</b> -There is a net overspend of £864k on temporary accommodation, this is mainly due to the increase in procurement of the more expensive nightly paid accommodation. There is a forecast 14% (281) rise in the number of homeless clients compared to budget. In addition to this there is a further increase in PLA rates anticipated from Jan 2015 onwards. <i>This overspend is offset by £763k contingency funds available.</i>	864
<b>Salaries</b> - There is a £273k overspend on salaries due to displaced staff as a result of the restructure and a 135k underspend on other base budget staff. <i>This is offset by £194k contingency fund to cover off financial risks associated with the reorganisation .</i>	138
<b>Running costs</b> - There is a projected underspend in non-staffing costs of £35k, underspend on PSL repairs/ furniture purchase of £172k and furniture storage budgets of 23k there is also a £13k overspend relating to legal costs.	(217)
<b>Specific contingency</b> - balances available to offset overspend.	(785)
<b>Note:</b> It is anticipated that Discretionary Housing grants will be used to fund incentive payments made to temporary accommodation providers to support the prevention of homelessness.	
<b>Community Housing</b>	0
<b>Housing, Health &amp; Adult Social Care Total</b>	0

Appendix A5

Schools & Children's Services	Forecast Budget Variation September £000
<b>Early Years</b> The underspend is due to salary savings pending a restructure and savings in support services previously provided by teaching staff now undertaken in-house.	(134)
<b>Admissions</b> The underspend is due to staff vacancies held pending a restructure.	(58)
<b>Lettings Agency</b> The planned closure of this service will result in an overspend of £50k due to costs incurred during the wind-up process.	50
<b>Catering</b> The forecast underspend has increased this month from -£10k to -£59k as the policy of UIFSM and its impact can start to be quantified.	(59)
<b>School Swimming-</b> An underspend in the region of £73k is anticipated as a result of increased take up of the service.	(73)
<b>Education Welfare</b> An overspend of £59k is projected as a result of the delay in the implementation of the staff restructure and the employment of agency staff to cover vacancies.	59
<b>Children &amp; Families Integrated Commissioning Service</b> The projected overspend of £60k is due to interim agency cover pending the completion of the service reorganisation.	60
<b>External Residential Child Care Places</b> -The external residential homes and agency fostering budgets are showing an overspend of £984k which is due to higher weekly average costs for clients who are more challenging and vulnerable, which means they require specialist care placements to address their complex needs. The cost pressures was partially offset by a current underspend of £181k within the secure placements budget. These projections are based on current and planned placements so future new placements will cause further pressure on these budgets. Since December 2013 there has been a net increase of 20 Looked After Children to the end of Aug 2014. The increase of £236k this month is mainly due to a new residential placement and extensions to existing ones (+£140k), 5 new agency foster placements (+£61k) and 2 new secure remand placements (+£31k)	984
<b>Children in Need Social Work Teams</b> - Increasing demand for services requires these teams to maintain their full staffing establishment to provide a safe service. Staff turnover has increased resulting in higher costs due to agency staff filling key vacant posts. The projection has increased by £36k this month mainly as a result of extensions of agency staffing requirements for vacant posts.	288

Appendix A5

Schools & Children's Services	Forecast Budget Variation September £000
<p><b>Leaving Care - Client &amp; Staffing Costs.</b> The projected overspend of £550k is partially due to an 18.5% increase in the number of clients since June 2013. There is also an increase in the number of young offenders and young people at risk of sexual exploitation who require more specialised and intensive support plus an increase in client demand/needs pressures. The LAC service are continuing to review the most expensive support packages and exploring alternatives.</p>	550
<p><b>Unaccompanied Asylum Seeker Children (UASC).</b> This budget is now supporting an additional 662 UASC client weeks above the original budget which is mainly due to an additional 16 clients. There is also a shortage of suitable accommodation for the recent arrivals resulting in the use of more expensive agency fostering placements. The government grant is also insufficient to cover the actual client costs for some clients who require expensive placements. There has been a net increase of 3 clients this month resulting in the £23k increase this month.</p>	130
<p><b>Former Unaccompanied Asylum Seeker Children 18+</b> - The overspend is mainly due to additional clients who are now turning 18 during 14/15 who have previously arrived as UASC towards the end of 13/14. There is also a lack of suitable inexpensive accommodation which is causing costs to rise. As the actual client numbers are still below the 25 fte threshold at 20 fte no grant funding will be claimable this year. The projection has reduced this month following a review of all support packages.</p>	128
<p><b>Other Variations</b></p>	(83)
	<b>1,842</b>

Appendix A6

Schools Budget	Forecast Budget Variation September 2014 (£'000)
<b>Schools Budgets - These variations do not form part of the General Fund position.</b>	
<b>Behaviour Support-</b> An underspend is projected as a result of an increase in referrals with a consequential increase in income.	(58)
<b>Special Education Needs-</b> Overspends of £216k for Independent Day and £51k for Recoupment Hospital are projected based on current client information. However these are reduced by underspends of £119k for Independent Residential and £57k for L.A. Special School Day resulting in a projected net overspend of £91k.	91
<b>Central Licences-</b> Licence fees higher than anticipated when budget set.	53
<b>Other Variations</b>	(39)
	<b>47</b>

APPENDIX B

Treasury Management Cashflow Investments & Borrowing as at 30th September 2014

The Treasury Management position as at 30<sup>th</sup> September 14 is set out below:

	Position April £000's	Position May £000's	Position June £000's	Position July £000's	Position August £000's	Position September £000's
Long term borrowing	265,624	265,624	265,624	265,624	265,264	264,079
Short-term borrowing	33,000	33,000	40,000	40,000	43,000	43,000
<b>Total borrowing</b>	<b>298,624</b>	<b>298,624</b>	<b>305,624</b>	<b>305,624</b>	<b>308,624</b>	<b>307,079</b>
Total investments	100,785	114,135	109,370	99,700	99,550	91,300
<b>Net debt</b>	<b>197,839</b>	<b>184,489</b>	<b>196,254</b>	<b>205,924</b>	<b>209,074</b>	<b>215,779</b>

Movement in debt over year

	1 <sup>st</sup> April 2014 £000's	Debt repaid £000's	New debt £000's	30 <sup>th</sup> Sept 2014 £000's
PWLB	232,085	-1,026	-	231,059
Commercial loan	30,000	-	-	30,000
Salix	3,540	-520	-	3,020
Temporary borrowing	33,000	-8,000	18,000	43,000
<b>Total borrowing</b>	<b>298,625</b>	<b>-9,546</b>	<b>18,000</b>	<b>307,079</b>

London Borough of Enfield Investments at 30th September 2014

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
<b>Call Accounts</b>						
Svenska Handelsbanken	12,500,000		On demand	0.45%	1	AA-
Santander	12,500,000		On demand	0.40%	1	A
HSBC Call Account	10,800,000		On demand	0.40%	1	AA-
<b>Money Market Funds</b>						
Ignis	9,000,000		On demand	0.46%	1	AAAm*
Goldman Sachs	9,000,000		On demand	0.34%	1	AAAm*
<b>Termed Deposits</b>						
Barclays Bank PLC	7,500,000	10/03/2014	09/03/2015	0.84%	160	A
Nationwide Building Soci	7,500,000	10/04/2014	09/04/2015	0.81%	191	A
Lloyds Bank PLC	7,500,000	07/05/2014	06/05/2015	0.95%	218	A
Lloyds Bank PLC	5,000,000	22/04/2014	21/04/2015	0.95%	203	A
Barclays Bank PLC	5,000,000	01/04/2014	31/03/2015	0.86%	182	A
Nationwide BS	5,000,000	15/04/2014	14/04/2015	0.81%	196	A
<b>Total - Investments</b>	<b>91,300,000</b>		<b>Average</b>	<b>0.66%</b>	<b>105</b>	
Number of Investments	11					

\*AAAm is the highest rating for money market funds

### London Borough of Enfield Short Term loans at 30<sup>th</sup> September 2014

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Bath & Northeast Somerset District Council	£5,000,000	4 <sup>th</sup> Oct 2013	3 <sup>rd</sup> Oct 2014	0.47%	3
South Yorkshire Joint Secretariat	£5,000,000	10 <sup>th</sup> Oct 2013	8 <sup>th</sup> Oct 2014	0.45%	8
South Yorkshire Joint Secretariat	£5,000,000	9 <sup>th</sup> Oct 2013	9 <sup>th</sup> Oct 2014	0.45%	9
Solihull MBC	£2,000,000	29 <sup>th</sup> Oct 2013	28 <sup>th</sup> Oct 2014	0.45%	28
Vale of Glamorgan Borough Council	£1,000,000	28 <sup>th</sup> Mar 2014	29 <sup>th</sup> Dec 2014	0.45%	90
Police & Crime for West Yorkshire	£4,000,000	28 <sup>th</sup> Mar 2014	29 <sup>th</sup> Dec 2014	0.50%	90
London Borough of Hackney	£3,000,000	5 <sup>th</sup> Mar 2014	5 <sup>th</sup> Mar 2015	0.49%	156
Worcestershire County Council	£2,000,000	5 <sup>th</sup> Aug 2014	5 <sup>th</sup> May 2015	0.45%	217
Worcestershire County Council	£2,000,000	16 <sup>th</sup> June 2014	15 <sup>th</sup> June 2015	0.45%	258
Wokingham Borough Council	£2,000,000	1 <sup>st</sup> July 2014	23 <sup>rd</sup> June 2015	0.44%	266
Portsmouth City Council	£5,000,000	27 <sup>th</sup> June 2014	26 <sup>th</sup> June 2015	0.45%	269
Humberside Fire and Rescue Services	£1,000,000	5 <sup>th</sup> Aug 2014	21 <sup>st</sup> May 2015	0.42%	233
Crawley Borough Council	£3,000,000	1 <sup>st</sup> July 2014	30 <sup>th</sup> June 2015	0.45%	273
Wokingham Borough Council	£3,000,000	15 <sup>th</sup> Oct 2013	11 <sup>th</sup> Aug 2015	0.48%	315
<b>Total</b>	<b>£43,000,000</b>		<b>Average</b>	<b>0.46%</b>	<b>158</b>

2014/15 Budget & Medium Term Financial Plan (£'000)  
Red & Amber Savings - September 2014

APPENDIX C

Ref No.	Proposal Summary (from template)	Risk	Total 2014/15	Remarks
<b>Red Savings</b>				
<b>Environment</b>				
ENV04	Fleet Savings - People Transport	Red	(125)	Officers will undertake a detailed review of these savings and present an action plan in a future monitoring report
<b>Total Red Savings</b>			<b>(125)</b>	
<b>Amber Savings</b>				
<b>Environment</b>				
ENV25	Anti-Social Behaviour services LBE and Enfield Homes Joint Services Review	Amber	(100)	Discussion with Enfield Homes are on-going to implement changes to achieve saving.
ENV26	Health & Safety services- LBE and Enfield Homes Joint Services Review	Amber	(100)	Discussion with Enfield Homes are on-going to implement changes to achieve saving.
<b>Housing, Health &amp; Adult Social Care</b>				
HHASC 14/15 01	Community Housing element of HHASC 14/15 01	Amber	(200)	On target – Restructure in progress, rollout of assimilation / recruitment taking longer than expected.
HHASC 14/15 04	Learning Disability Day Care procurement review	Amber	(150)	Action plan required for review from Procurement.
HHASC 14/15 05	Learning Disability - Personal Budget allocations - 5% reduction in budget	Amber	(700)	LD efficiency board continues to monitor all work being undertaken to deliver savings in year. FMS monitor places this saving currently at Amber.
HHASC 14/15 07	Older People/Physical Disabilities - Personal Budget allocations - 5% reduction in budget	Amber	(876)	Pathway continues to monitor activity, finance and savings month on month. FMS monitor places this saving currently at amber.
<b>Finance, Resources &amp; Customer Services</b>				
Legal 1	Staff restructuring within Legal Services	Amber	(89)	
<b>Total Amber Savings</b>			<b>(2,215)</b>	
<b>Total Red / Amber Savings</b>			<b>(2,340)</b>	

Of the total new savings of £10.968m agreed as part of the 2014/15 budget setting process, £8.6m of savings (78%) are classified as on course for full achievement.

**APPENDIX D**

<b>New Savings Proposals 2015/16</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Full Year</b>
<b>Regeneration &amp; Environment</b>		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
RE 15/16 S2	<b>Emergency Planning Arrangements</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(50)</b>
To provide the Councils Emergency Planning arrangements through aligning the co-ordinating function into other statutory posts within Regulatory Services. This will have no impact on the service provided.						
RE 15/16 S4	<b>Efficiency savings arising out of using the LoHAC highways framework contract</b>	<b>(322)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(322)</b>
This represents efficiency savings arising out of using the LoHAC framework contract for Highway maintenance and winter gritting. There is some risk arising from the reduction of the winter gritting schedule. These were set out in the Portfolio Report. However, the reduced network is based on the principles identified in the national Code of Practice for Highway Maintenance Management and therefore the risk is limited.						
RE 15/16 S5	<b>Restructuring of Regulatory Services and Development Management</b>	<b>(35)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(35)</b>
This saving will be achieved through the restructuring of Regulatory Services and Development Management, Review of Licensing, Pollution Control, Pest Control, GAT & Planning Enforcement.						
RE 15/16 S6	<b>Review of capital and revenue costs</b>	<b>(845)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(845)</b>
A review of the revenue costs for 7 day and 28 day repairs has determined that these should be funded through the Capital Programme. The costs will be contained within the current Capital Programme.						
RE 15/16 S7	<b>Review of Street Lighting</b>	<b>(80)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(80)</b>
Following a review of the Street Lighting PFI contract, a change in the specification will result in savings. This has been achieved by reducing risks to the PFI contract provider in order to reduce revenue costs to the Council by de-specification of some of the contract requirements.						
RE 15/16 S9	<b>Reduction in Strategic Planning and Design revenue budget for Heritage and Design Team leader post</b>	<b>(35)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(35)</b>
The Heritage and Design Team Leader post has been vacant since January 2013 when the previous post holder left the Council. Since then the heritage work programme has been delivered through the appointment of a series of temporary agency workers. This will have no impact on the delivery of the service.						
RE 15/16 S10	<b>Capitalisation of Neighbourhood Regeneration Head of Service post &amp; reduction in Neighbourhood Regeneration consultancy budget</b>	<b>(74)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(74)</b>
The role of this Head of Service post is entirely based on capital schemes. In future this post will be charges to the Capital Programme it supports. There is no change to service provision.						
RE 15/16 S11	<b>Reduction in Strategic Planning and Design staff budget offset with increased drawdown from s106 management fee</b>	<b>(100)</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>0</b>
An opportunity has arisen to fund the Strategic Planning and Design staff budget from S106 Management fee income. This will have no impact on the service.						
RE 15/16 S12	<b>Aqua Fund</b>	<b>(23)</b>	<b>(23)</b>	<b>(23)</b>	<b>(23)</b>	<b>(92)</b>
The AquaFund is a multi-million pound grant available to assist the council to reduce its water consumption costs without the need for any budget. The grant value scheme was originally derived from HM Treasury "Invest to Save" budget and is now funded by private equity. The AquaFund provides a range of managed services to enable the council to make water cost savings from its corporate properties over a 5 year period, which is all paid for and project managed by AquaFund.						
RE 15/16 S13	<b>Efficiencies in Regulatory Services</b>	<b>(100)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100)</b>
The Environment department has been running a project reviewing services and the related expenditure and income. As a result efficiencies have been achieved within Regulatory services. The total amount of the efficiencies is 100k. There will be no impact, review ensured that services could be run within remaining budget.						
RE 15/16 S14	<b>Cease Whitewebbs Golf Course subsidy</b>	<b>0</b>	<b>0</b>	<b>(100)</b>	<b>0</b>	<b>(100)</b>
Whitewebbs subsidy will be removed by 2017/18 (Year 3 of the MTFP). Action is in hand to make the service self-financing.						
	<b>Total</b>	<b>(1,664)</b>	<b>(23)</b>	<b>(73)</b>	<b>27</b>	<b>(1,733)</b>

Departmental Saving Proposal Summary		2015/16	2016/17	2017/18	2018/19	Full Year
Finance, Resources & Customer Services		£000's	£000's	£000's	£000's	£000's
FRCS 15/16 S2	<b>Increase in Treasury interest receivable</b>	0	(100)		0	(100)
This will be achieved through the management of short term investments and will be managed through prudential lending within strict risk management guidelines.						
FRCS 15/16 S3	<b>Additional savings from the IT contract</b>	(200)	(20)	(10)	0	(230)
Following re-negotiation of the Serco contract further savings have been found. This will have no impact on the service provision.						
FRCS 15/16 S4	<b>Reduction in cost of ICT third party contracts</b>	(200)	(100)	(100)	0	(400)
A reduction in the cost of ICT third party contracts has been identified. This was generated from 3rd Party Savings resulting from various contract renewals in 14/15 and 15/16.						
FRCS 15/16 S5	<b>Review of cost of Audit &amp; Risk management Services</b>	(50)	0	0	0	(50)
A review of running costs has resulted in a saving of £50k in the Audit & Risk Management Service.						
FRCS 15/16 S6	<b>Review of Concessionary Travel mobility assessment arrangements</b>	0	0	(50)	0	(50)
A proposed reduction in spend on concessionary travel will be achieved through reviewing the arrangements for mobility assessments and new procurement. This includes a reduction in the amount paid to third party agents for mobility assessments and reduced support costs for the mobility assessments for Concessionary Travel Services.						
FRCS 15/16 S7	<b>Reduction in running costs across several LB Enfield properties</b>	0	0	(150)	0	(150)
Following a review of the running costs of various LBE properties savings have been implemented for the following properties- Community House, Civic Centre, Triangle House, St Andrews, Edmonton Centre, Charles Babbage House, Thomas Hardy House, Walford House, 9 Centre Way, 14 Centre Way, The Ark, Swan Annexe, Enfield Public Safety Building, Claverings & Green Belt.						
FRCS 15/16 S8	<b>Increased volume of Land Charges fees</b>	0	0	(150)	0	(150)
An anticipated increased demand for searches commensurate with an improved property market.						
FRCS 15/16 S9	<b>Review of Land Charges fees</b>	(225)	0	0	0	(225)
A review of Land Charges costs has identified that full cost recovery was not being achieved. This review has highlighted the need for increased fees to recover the full cost of the service.						
FRCS 15/16 S10	<b>Employers Liability Insurance</b>	0	(151)	0	0	(151)
An implementation of a change in the method by which Employer's liability insurance is charged so as to produce a central saving overall. Based on current budget allocations.						
FRCS 15/16 S11	<b>Reduction in cost of stationery</b>	(100)	0	0	0	(100)
A rationalisation exercise of stationery budgets has resulted in a saving based on the previous year's outturn versus budget figures 2013-14.						
FRCS 15/16 S12	<b>Grounds Maintenance &amp; Equipment</b>	(13)	0	0	0	(13)
Firstly, in light of the capital development at Albany Leisure Centre, we are able to reduce the grounds maintenance costs for the Fusion contract. Secondly, having completed some of the latent defects in regards to the leisure centres, we are able to reduce equipment purchasing.						
FRCS 15/16 S13	<b>Contract Monitoring Efficiencies</b>	(9)	(18)	0	0	(27)
A reduction in the contract monitoring post through part time retirement, and the introduction of new contract monitoring processes. Monitoring is required for the proper assessment of Fusion Lifestyle's operation of the Council's Leisure Centres; the Council checks for any drop in their service below the expected level, and can penalise the contractor if required.						
FRCS 15/16 S14	<b>Property Costs Leisure Centres</b>	(10)	0	0	0	(10)
It was anticipated when the contract with Fusion Lifestyle began that there would be some property latent defects in Leisure Centres. We now believe that there are no outstanding latent defects of which we are aware. Thus the budget can be deleted.						
FRCS 15/16 S15	<b>Reduction in Town Twinning &amp; Tourism budgets</b>	(30)	0	0	0	(30)
This proposal is to reduce the Town Twinning and Tourism budget. Twinning activity is lessening and it is unlikely that Enfield will twin with any new partners. This proposed reduction will still allow us to maintain our current partnerships. Possible risk for the maintenance of current town twinning relationships.						

FRCS 15/16 S16	<b>Reduction in Festival's budget subsidy</b>	(30)	(35)	0	0	(65)
Reduction in the budget available to deliver Festivals in the Borough. It will allow the team to continue to deliver the Festivals programme, including advertising and promotion; managing the Edmonton Festival and Enfield Town Show, and assisting partners; but there will be a reduction in some activities.						
FRCS 15/16 S19	<b>Sports Development costs</b>	(20)	(15)	0	0	(35)
Sports Development savings from service restructure following introduction of online bookings system, and anticipated increase in income. Anticipated increase in income based on commercial approach; introduction of online bookings system bringing about an administrative saving based on service restructure.						
FRCS 15/16 S20	<b>Increase in Forty Hall income</b>	(10)	(10)	0	0	(20)
Increasing income generated at Forty Hall by developing new sales areas, increasing the number of events and weddings bookings. If increased income target not reached, risk of saving not achievable.						
	<b>Total</b>	<b>(897)</b>	<b>(449)</b>	<b>(460)</b>	<b>0</b>	<b>(1,806)</b>

	<b>Departmental Saving Proposal Summary</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Full Year</b>
<b>Health, Housing &amp; Adult Social Services</b>		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
HHASC 15/16 S1	<b>Brokerage Redesign to reduce net spend per head</b>	(800)	(600)	(600)	0	(2,000)
Brokerage redesign - Further developing the way we support plan and broker services for people. Direct payments are a much more flexible and efficient way of meeting the needs of vulnerable people and of achieving better value for money.						
HHASC 15/16 S2	<b>Dementia-Demand Management</b>	(50)	(50)	(100)	0	(200)
Demand management Dementia – Better primary healthcare and stronger partnerships between health and social care (including through the Better Care Fund Plan) will ensure that more people with dementia get the support they need earlier on reducing the need for crisis response services and enabling more people to live safely and independently within their own homes.						
HHASC 15/16 S3	<b>Reduction in unit costs - care purchasing</b>	(1,200)	0	0	0	(1,200)
Reducing unit costs – particular areas of pressure for ASC currently are residential and nursing placements for older people and adults with a physical disability. We will work in partnership with providers to better understand costs linked appropriately to needs. We will also, in preparation for the Dilnot recommendation within the Care Act from April 2016, ensure that providers of residential services provide a transparent breakdown of costs which differentiate between care and support costs and the accommodation costs.						
HHASC 15/16 S4	<b>Care purchasing reduction through market management</b>	(2,000)	(2,000)	0	0	(4,000)
Managing risk appropriately we will work with people to reduce dependency on long term services, promote more self-management of long term health conditions and reward service providers for enabling and reducing or removing need rather than perpetuating it. Payment on delivery of outcomes rather than a focus on time and task services.						
HHASC 15/16 S5	<b>Review of in house provided services</b>	(300)	(400)	(800)	0	(1,500)
Review of In-House provided services - Adult Social Care continues to provide some services in-house. This includes enablement, day services and some residential provision. Although these are considered a trusted brand they are more expensive than similar provision within the independent sector. Work is underway to change the way these services operate in order that they become competitive in the current and future care markets. Ultimately they need to continue to be good quality, value for money services that individuals choose to spend their personal budget with.						
HHASC 15/16 S6	<b>Personalisation of Transport services</b>	(100)	(300)	0	0	(400)
Personalisation of transport services – Adult Social Care will work with colleagues in Environment to develop a Council transport offer which is competitive and value for money. ASC will also work with people to ensure that all disability benefits are maximised, travel options are fully explored (for example, taxi card schemes, freedom /disability travel passes, volunteer driver schemes).						
HHASC 15/16 S7	<b>Valuing Care- residential price negotiation</b>	(500)	0	0	0	(500)
Reviewing highest priced residential care placements to reduce costs. 150 top most expensive placements calculated to generate a saving of £698k with costs of £198k generating a net saving of £500k. Same service but better value for money.						

HHASC 15/16 S8	<b>Review of commissioning contracts</b>	(360)	(100)	0	0	(460)
Review of commissioning contracts – Adult Social Care will change the way it commissions services through the voluntary sector.						
HHASC 15/16 S9	<b>Supporting People payment from HRA</b>	(450)	0	0	0	(450)
Supporting People (General Fund) commissions warden controlled services in council run sheltered accommodation. These services will continue but with funding directly from the HRA and Supporting People funding will cease. Financing of support in council provided sheltered housing will be funded by the HRA.						
<b>Total</b>		<b>(5,760)</b>	<b>(3,450)</b>	<b>(1,500)</b>	<b>0</b>	<b>(10,710)</b>

<b>Departmental Saving Proposal Summary</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Full Year</b>
<b>Schools &amp; Children's Services</b>		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
SCS 15/16 S5	<b>Commissioning and Community Engagement Team Merger</b>	(120)	0	0	0	(120)
There will be a merger of 2 teams within CCE which will result in staff savings. The teams to be merged are Business Improvement and Partnerships with Integrated Commissioning. Two Heads of Service posts will be rolled into one but operational delivery will remain the same and administrative tasks will be subsumed by other administrative staff within the team. Minimal risk to the service providing the sub-structures are secure.						
SCS 15/16 S6	<b>Family Support and Children's Centres Commissioning</b>	(350)	0	0	0	(350)
A reduction in the number of commissioned services which will be offered in these areas. However, it is important to note that many of these services may still be offered via Public Health funding for Health Visitors who become the responsibility of the Council in 2015. Other services which will no longer be provided are ceased on the basis of very low or no take up. Whilst fewer services will be offered via the commissioned service route the core purpose for Family Support and Children's Centres will continue to be met.						
SCS 15/16 S7	<b>Early Years -Non-Staffing savings</b>	(50)	0	0	0	(50)
This saving will be achieved following the restructure of the service. The reduction in the numbers of staff has identified a number of related non-staffing savings that can be made. There will be no impact on the service provided.						
SCS 15/16 S10	<b>Progression and Pathways - Deletion of Post following implementation of new Skills for Work Service.</b>	(50)	0	0	0	(50)
Progression and Pathways - Deletion of Post following implementation of new Skills for Work Service. There will be no impact as the service is being provided by the Skills for Work service and some aspects will continue to be commissioned by this team. This saving will be achieved as a result of the establishment of the Skills for Work Service. The new service is now delivering the work previously associated with this post within the Progression and Pathways team.						
SCS 15/16 S11	<b>Curriculum and Access - Substance misuse income</b>	(48)	0	0	0	(48)
This saving will be achieved from a contribution from Public Health of £40K towards the salary of our substance misuse consultant. The additional £8k will come from an increase in income from the school SEN buyback. There will be no impact as this saving is from the substitution of funds from other sources.						
SCS 15/16 S13	<b>Schools Intervention</b>	(50)	0	0	0	(50)
This saving will be achieved by reducing the number/amount of school to school support projects that are funded from the base budget.						
<b>Total</b>		<b>(668)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(668)</b>
<b>New Savings Proposals Total</b>		<b>(8,989)</b>	<b>(3,922)</b>	<b>(2,033)</b>	<b>27</b>	<b>(14,917)</b>

**APPENDIX E**

<b>Enfield 2017 Saving Proposals 2015-19</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Full Year</b>
<b>Agreed at Cabinet- October 2014</b>		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
	<b>Business Intelligence</b>	<b>(2,068)</b>	<b>(966)</b>	<b>(966)</b>		<b>(4,000)</b>
Ensure significant automation of KPI and MI allowing managers to receive this information via customisable dashboards and workflow						
	<b>Customer Assessment Pathway</b>	<b>(3,465)</b>	<b>(1,618)</b>	<b>(1,618)</b>	<b>0</b>	<b>(6,700)</b>
All financial assessments undertaken across the Council will be consolidated into a single electronically enabled process and function.						
	<b>Finance &amp; Business Support</b>	<b>(4,602)</b>	<b>(2,149)</b>	<b>(2,149)</b>	<b>0</b>	<b>(8,900)</b>
To provide a consolidated business support function and improved automation of all finance transactions. Develop a more commercial risk based approach to delivering financial management and professional advice						
	<b>Infrastructure</b>	<b>(466)</b>	<b>(217)</b>	<b>(217)</b>	<b>0</b>	<b>(900)</b>
All Property function, ICT and procurement related work to be done through one corporate team.						
	<b>Legal &amp; Democratic</b>	<b>(155)</b>	<b>(72)</b>	<b>(72)</b>	<b>0</b>	<b>(300)</b>
Develop a cost effective advisory legal service based on predictable work e.g. Children Services, Debt Recovery, HR.						
	<b>Organisational Development</b>	<b>(4,344)</b>	<b>(2,028)</b>	<b>(2,028)</b>	<b>0</b>	<b>(8,400)</b>
HR delivery will focus on strategic high level support to manage high risk areas. To support this service we will develop and enhance on-line information portal to provide increase self-service support to managers						
	<b>Enfield 2017 Total</b>	<b>(15,100)</b>	<b>(7,050)</b>	<b>(7,050)</b>	<b>0</b>	<b>(29,200)</b>