

## MUNICIPAL YEAR 2014/2015 REPORT NO: 125

### MEETING TITLE AND DATE:

Cabinet: 10<sup>th</sup> December 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: October 2014**

**Wards: All**

**Cabinet Members 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 October 2014. The report forecasts an outturn position of £2.57m overspend for 2014/15 subject to action plans to contain budget pressures.

## 2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the £2.57m overspend revenue outturn projection
- 2.2 Agrees the allocation of £330k from the Council's Risk Reserve to fund work at Broomfield House (section 5.3).
- 2.3 Notes the work Ernst & Young are undertaking within Schools & Children's Services in relation to an opportunity assessment and savings strategy in order to find further efficiencies. The final report is scheduled for mid-January 2015.
- 2.4 Notes the in-house review of Property Services that will identify potential actions in order to achieve budget savings.

## 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		
		Aug	Sept	Oct
Income and expenditure position	<ul style="list-style-type: none"> <li>• Year-end forecast variances of £2.57m 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 £426k 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>	Amber	Amber	Amber

	Key highlights	Risk Rating		
		Aug	Sept	Oct
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. October 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**

October 2014	Net Controllable Budget				
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	Projected Variation
Department	£000s	£000s	£000s	£000s	£000s
Chief Executive	3,423	(33)	3,390	3,390	0
Environment	27,405	1,464	28,869	29,088	219
Finance, Resources & Customer Services	46,668	1,648	48,316	48,818	502
Health, Housing and Adult Social Care	92,094	(200)	91,894	91,894	0
Schools & Children's Services	49,635	1,714	51,349	53,195	1,846
<b>Total Department Budgets</b>	<b>219,225</b>	<b>4,593</b>	<b>223,818</b>	<b>226,385</b>	<b>2,567</b>
Collection Fund	319	0	319	319	0
Corporate Items	33,986	(4,593)	29,393	29,393	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>100,165</b>	<b>2,567</b>

The current forecast is an overspend of £2.57m. Departments must implement further savings measures to stay within budget. The Council also maintains a working balance and specific reserves with which to deal with short term financial pressures.

#### 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 £219k, explanations for variances over £50 are set out in Appendix A. The movement of £47k from the reported position in September is due to the continuing shortfall in car parking receipts and a refuse collection pressure from the dry co-mingled contract.

## **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.

A £330k pressure has arisen in relation to Broomfield House as the structure now requires new scaffolding to secure the property and meet health and safety requirements. This one-off cost, if agreed, will be met from the Council's Risk Reserve.

## **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 £1.32m which will be addressed through additional actions to balance the budget. The main forecast overspends, based upon prudent projections, are in Learning Disabilities (£0.7m) & 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 £760k overspend funded by £760k 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 (2,354 compared to the budget of 2,059 in temporary accommodation as per the information available in October 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 £1.846m. This arises due to increased demand for Children's services including Care Placements for Looked after Children and Leaving Care Costs (£1.6m), 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 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 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 in 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. If agreed the Broomfield House scaffolding works (section 5.3) will reduce this balance to £170k.

## **7. Housing Revenue Account (HRA) – Projected £426k surplus**

The overall HRA position is projected to be a surplus of £426k. There are three main areas of underspend – Right to Buy (RTB) Income, Repairs and Maintenance (R&M) and Supervision & Management 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 administrative and legal costs the projected surplus remains at £415k.

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

The current R&M monitoring shows a projected underspend of £217k, a £93k increase from the previous months, due to the impact of the review of 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, plus underspends of £30k in the Under-occupation budget and £25k on consultants.

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 bills of £100k on empty properties. The Rents Dwellings income continues to be forecast to under recover by £380k, the same as 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 £8.7m of savings (80%) are classified as Blue or Green (on course for full achievement). £2.1m 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%	(200)
Environment	(125)	8%	(100)	7%	(1,007)	66%	(300)	20%	(1,532)
Finance, Resources & Customer Services	0	0%	(89)	4%	(1,350)	61%	(792)	35%	(2,231)
Housing, Health & Adult Social Care	0	0%	(1,926)	37%	(1,079)	21%	(2,141)	43%	(5,146)
Regeneration, Leisure & Culture ( <i>Saving achieved as part of restructure</i> )	0	0%	0	0%	(217)	100%	0	0%	(217)
Schools & Children's Services	0	0%	0	0%	(1,234)	75%	(408)	25%	(1,642)
<b>Total Savings for 2014/15</b>	<b>(125)</b>	<b>1%</b>	<b>(2,115)</b>	<b>19%</b>	<b>(5,087)</b>	<b>46%</b>	<b>(3,641)</b>	<b>34%</b>	<b>(10,968)</b>

- 8.2 Savings agreed as part of previous budgets total £12.6m. £11.9m (92%) of these are traffic lighted as green or blue on course for achievement. £1.0m are red /amber and this is mainly the Prevention Strategy Impact saving of £900k within Schools & Children's Services.

## 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, there has been no change since the September Revenue Monitoring Report:

<b>Resident's Priority Fund- Oct 14</b>	<b>£000's</b>
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. ALTERNATIVE OPTIONS CONSIDERED**

Not applicable to this report.

## **11. 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.

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

### **12.1 Financial Implications**

As the Section 151 Officer, the Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority, including the development of the 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.

### **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, 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.

#### **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.

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.

#### **16. PERFORMANCE MANAGEMENT IMPLICATIONS**

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

#### **17. PUBLIC HEALTH IMPLICATIONS**

Public Health implications are set out in the report (Appendix A4).

**Appendix A1**

<b>Chief Executive</b>	<b>Forecast Budget Variation October 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 October 2014 (£'000)
<b>Parking-</b> Overspend in Parking is mainly due to a reduction in car parks receipts and an 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.	207
<b>Vehicle Leasing-</b> One-off underspend for 2014/15 only in the vehicle 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.	(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>Waste Services:</b> Overspend in Waste Client is caused by fluctuating market prices for recyclable materials collected under the dry co-mingled contract. Current market prices result in a cost to the Council, whereas in previous years they were at a level that resulted in an income stream.	77
<b>Other Variations:</b>	32
<b>Environment Total</b>	<b>219</b>

**Appendix A3**

<b>Finance, Resources &amp; Customer Services</b>	<b>Forecast Budget Variation October 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 October 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, 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 assessment. The current anticipated cost to Enfield could be up to circ. £900k.</p>	
<p><b>Strategy &amp; Resources</b> - The service is projecting an underspend on Housing Related support contracts (-£377k), due to the early achievement of future year savings. However, this underspend has been offset by projected expenditure due to an increase in DoLs applications (+£80k).</p>	(297)
<p><b>Learning Disabilities-</b> the service continues to project an overspend position as a result of managing demand led services. The service operates a monthly efficiency programme that reviews progress against savings and manages demand for services during the year. This process has achieved a reduction in overspend of £118k in October.</p>	728
<p><b>Older People and Physical Disabilities (the Customer Pathway)-</b> The service is projecting care purchasing overspends against a net budget of £38m. No movement reported in month. 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 &amp; other control measures</p>	(1,320)
<p><b>Adult Social Care &amp; Public Health</b></p>	<b>0</b>

## Appendix A4

Health, Housing and Adult Social Care	Forecast Budget Variation October 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 was set aside for temporary accommodation pressures.	
<b>Temporary Accommodation</b> -There is a net overspend of £916k on temporary accommodation, this is mainly due to the increase in procurement of the more expensive nightly paid accommodation. There is a forecast 14% (295) rise in the number of homeless clients compared to budget. In addition to this there is a further increase in PLA rates anticipated from Feb 2015 onwards. <i>This overspend is offset by the use of contingency funds available.</i>	954
<b>Salaries</b> - There is a £277k overspend on salaries due to displaced staff as a result of the restructure, 234k underspend on other base budget staff and £20k underspend in early retirement costs. <i>This is offset by contingency fund to cover off financial risks associated with the reorganisation .</i>	23
<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.	(760)
<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

<b>Schools &amp; Children's Services</b>	<b>Forecast Budget Variation October 2014 (£'000)</b>
<b>Early Years</b> The underspend is mainly due to salary savings pending a restructure and savings in support services previously provided by teaching staff now undertaken in-house.	(50)
<b>Admissions</b> The underspend is due to staff vacancies held pending a restructure.	(67)
<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 based on the first two months UIFSM data. This will be reviewed over the next few months as the full impact of UIFSM becomes clearer.	(350)
<b>Children &amp; Family integrated Commissioning Service</b> The projected overspend of approximately £65k is due to interim agency cover pending the completion of the service reorganisation.	65
<b>External Residential Child Care Placements</b> The external residential homes and agency fostering budget are showing a net overspend of £1,064k 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 gross cost pressure was reduced by a current underspend of £143k 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 16 Looked After Children to the end of Sept 2014. The increase of £80k this month is mainly due to 4 new residential placements and extensions to existing ones (+£60k), agency foster placement reductions (-£65k), a new mother & baby placement (+£44k) and 3 new secure remand placements (+£41k)	1,064
<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 also increased resulting in higher costs due to agency staff filling key vacant posts. The projection has increased by £58k this month mainly as a result of 2 additional agency staff now required to March.	346
<b>Prevention of Care Section 17</b> - This budget is underspending mainly as a result of the £100k contribution from FRCS to fund significant amounts of S17 expenditure for housing rents and deposits from the Discretionary Housing Payments budget.	(52)
<b>Adoption</b> - There is an overspend due to an additional £130k of special guardianship allowances becoming payable due to an increase in the numbers of children placed under a special guardianship order. These long term arrangements are financially beneficial to the service as the child is not deemed looked after.	130

## Appendix A5

<b>Schools &amp; Children's Services</b>	<b>Forecast Budget Variation October 2014 (£'000)</b>
<b>Leaving Care - Client &amp; Staffing Costs.</b> The projected overspend of £578k 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 reviewing the most expensive support packages and exploring alternative or new options for service provision for these clients this has resulted in a £90k reduction this month, however there are additional costs of £97k for 6 new clients this month. The staffing projection has also increased by £29k this month.	578
<b>Unaccompanied Asylum Seeker Children (UASC)</b> - This budget is now supporting an additional 765 UASC client weeks above the original budget which is mainly due to an additional 18 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 2 clients this month resulting in the £8k increase this month.	138
<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. However the projection has increased following an update of client support packages.	131
<b>Other Variations</b>	(137)
	<b>1,846</b>

Appendix A6

Schools Budget	Forecast Budget Variation October 2014 (£'000)
Schools Budgets - These variations do not form part of the General Fund position.	
<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 £113k for L.A. Special School Day & £454k for Independent Day and £51k for Recoupment Hospital are projected based on current client information. However these are reduced by underspends of £175k for Independent Residential and £57k for L.A. Special School Day resulting in a projected net overspend of £386k	386
<b>Central Licences-</b> Licence fees higher than anticipated when budget set.	53
<b>Other Variations</b>	42
	<b>423</b>

APPENDIX B

Treasury Management Cashflow Investments & Borrowing as at 31st October 2014

The Treasury Management position as at 31st October 14 is set out below:

	Position April £000's	Position May £000's	Position June £000's	Positon July £000's	Position August £000's	Position September £000's	Position October £000's
Long term borrowing	265,624	265,624	265,624	265,624	265,264	264,079	264,079
Short-term borrowing	33,000	33,000	40,000	40,000	43,000	43,000	36,000
<b>Total borrowing</b>	<b>298,624</b>	<b>298,624</b>	<b>305,624</b>	<b>305,624</b>	<b>308,264</b>	<b>307,079</b>	<b>300,079</b>
Total investments	100,785	114,135	109,370	99,700	99,550	91,300	62,170.00
<b>Net debt</b>	<b>197,839</b>	<b>184,489</b>	<b>196,254</b>	<b>205,924</b>	<b>208,714</b>	<b>215,779</b>	<b>237,909</b>

Movement in debt over year

	1 <sup>st</sup> April 2014 £000's	Debt repaid £000's	New debt £000's	31st Oct 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	(25,000)	28,000	36,000
<b>Total borrowing</b>	<b>298,625</b>	<b>(26,546)</b>	<b>28,000</b>	<b>300,079</b>

London Borough of Enfield Investments at 31st October 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	2,500,000		On demand	0.40%	1	A
HSBC Call Account	2,670,000		On demand	0.40%	1	AA-
<b>Money Market Funds</b>						
Ignis	7,000,000		On demand	0.46%	1	AAAm*
Goldman Sachs			On demand	0.34%	1	AAAm*
<b>Termed Deposits</b>						
Barclays Bank PLC	7,500,000	10/03/2014	09/03/2015	0.84%	129	A
Nationwide Building Society	7,500,000	10/04/2014	09/04/2015	0.81%	160	A
Lloyds Bank PLC	7,500,000	07/05/2014	06/05/2015	0.95%	187	A
Lloyds Bank PLC	5,000,000	22/04/2014	21/04/2015	0.95%	172	A
Barclays Bank PLC	5,000,000	01/04/2014	31/03/2015	0.86%	151	A
Nationwide BS	5,000,000	15/04/2014	14/04/2015	0.81%	165	A
Close Brothers	5,000,000	17/10/2014	25/01/2015	0.60%	86	A
<b>Total - Investments</b>	<b>62,170,000.0</b>		<b>Average</b>	<b>0.75%</b>	<b>88</b>	
Number of Investments	11					

\*AAAm is the highest rating for money market funds

### London Borough of Enfield Short Term loans at 31st October 2014

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
London Borough of Hackney	£3,000,000	05/03/2014	05/12/2014	0.49%	35
Vale of Glamorgan Borough Council	£1,000,000	28/03/2014	29/12/2014	0.45%	59
Police & Crime for West Yorkshire	£4,000,000	28/03/2014	29/12/2014	0.50%	59
Caerthphilly County Council	£5,000,000	13/10/2014	15/01/2015	0.29%	76
Worcestershire County	£2,000,000	16/06/2014	05/05/2015	0.45%	186
Barnsley, Doncaster & Sheffield (combined authority)	£5,000,000	31/10/2014	05/05/2015	0.45%	186
Humberside Fire and Rescue Services	£1,000,000	05/08/2014	21/05/2015	0.42%	202
Worcestershire County Council	£2,000,000	05/08/2014	05/06/2015	0.45%	217
Wokingham Borough Council	£2,000,000	01/07/2014	23/06/2015	0.44%	235
Portsmouth City Council	£5,000,000	27/06/2014	26/06/2015	0.45%	238
Crawley Borough Council	£3,000,000	01/07/2014	30/06/2015	0.45%	242
Wokingham Borough Council	£3,000,000	18/09/2014	11/08/2015	0.48%	284
<b>Total</b>	<b>£36,000,000</b>		<b>Average</b>	<b>0.44%</b>	<b>168</b>

## 2014/15 Budget &amp; Medium Term Financial Plan (£'000)

## APPENDIX C

## Red &amp; Amber Savings - October 2014

Ref No.	Proposal Summary (from template)	Risk	Total 2014/15	Remarks
<b>Red Savings</b>			<b>£000's</b>	
<b>Environment</b>				
ENV04	Fleet Savings - People Transport	Red	(125)	Neil Isaac /Isabel Brittain to co- produce briefing paper to address savings and demographic pressures in order to balance the budget over the next two years.
<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.
<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)	One staff member currently being charged 50% to Waltham Forest, will achieve around £36k saving, balance of £53k remains unlikely.
<b>Total Amber Savings</b>			<b>(2,115)</b>	
<b>Total Red / Amber Savings</b>			<b>(2,240)</b>	