

MUNICIPAL YEAR 2014/2015 REPORT NO: 160

MEETING TITLE AND DATE:

Cabinet: 11th February 2015

Report Of:

Director of Finance, Resources and Customer Services

Contact:

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AGENDA PART 1

ITEM 8

**Subject: Revenue Monitoring Report
2014/15: December 2014**

Wards: All

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of December 2014. The report forecasts an outturn position of £2.88m overspend for 2014/15 subject to action plans to contain budget pressures.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the £2.88m overspend revenue outturn projection
- 2.2 Agrees that departments reporting pressures should continue to formulate and implement action plans to ensure that they remain within budget in 2014/15.
- 2.3 Agrees the use of contingency and contingent items to fund the SEN Transport pressure within Schools & Children's Services in 2014/15 of £570k (Section 5.5).
- 2.4 Agrees to a review of the current revenue monitoring process and notes that a further report will be submitted recommending improvements for 2015/16 in line with Enfield 2017 principles and practices.

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 Detailed revenue budget monitoring is undertaken on a monthly basis for reporting to Departmental Management Teams. Capital monitoring is carried out on a quarterly basis each year. However, revenue monitoring reports are far more frequent and produced as follows:
- Six revenue monitoring reports per annum
 - Three further reports are provided to CMB only each year
 - The final revenue outturn report.

The reports to CMB and Cabinet often replicate all the previous reports with changes for updates. This requires significant resources each month at a time when the Council is transforming its services as part of Enfield 2017. Cabinet is asked to approve the review of this process with the aim of modernising the revenue monitoring process to enable:

- Quarterly reporting to Cabinet of detailed revenue monitoring
- Exception reporting monitoring to Cabinet for all other periods whereby only significant movements in the monitoring are reported as necessary resulting in much more focused and less resources intensive provision of information to Cabinet
- CMB only reports to be included as exception reports to determine the need for items to be reported to Cabinet
- Revenue outturn report to remain unchanged

Officers will provide more detail regarding other Councils' monitoring regularity and layouts to determine best practice and any new process to be reported to Cabinet for approval to commence in 2015/16.

- 3.3 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.
- 3.4 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.
- 3.5 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		
		Sept	Oct	Nov
Income and expenditure position	<ul style="list-style-type: none"> Year-end forecast variances of £2.88m overspend have been identified to date in relation to General Fund net controllable expenditure. 	Red	Red	Red
	<ul style="list-style-type: none"> Budget profiling across all departmental budgets continues continue to be applied in order to better reflect predicted net spending patterns throughout the year. 	Amber	Amber	Amber
	<ul style="list-style-type: none"> The HRA is projecting a £582k surplus for year-end outturn against budget. 	Green	Green	Green
Balance Sheet	<ul style="list-style-type: none"> The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return. 	Green	Green	Green
	<ul style="list-style-type: none"> 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. 	Amber	Amber	Amber
Cash flow	<ul style="list-style-type: none"> The Council's cash balances and cashflow forecast for the year (including borrowing) will ensure sufficient funds are available to cover planned capital and revenue commitments when they fall due. 	Green	Green	Green
	<ul style="list-style-type: none"> Interest receipts forecast for the year are on target with budget. 	Green	Green	Green

4. December 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

December 2014					
Department	Net Controllable Budget				
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	Projected Variation
	£000s	£000s	£000s	£000s	£000s
Chief Executive	3,423	(58)	3,365	3,365	0
Environment	27,405	2,697	30,102	30,102	0
Finance, Resources & Customer Services	46,668	1,591	48,259	48,761	502
Health, Housing and Adult Social Care	92,094	(211)	91,883	91,883	0
Schools & Children's Services	49,635	2,000	51,635	54,012	2,377
Total Department Budgets	219,225	6,019	225,244	228,123	2,879
Collection Fund	319	0	319	319	0
Corporate Items	33,986	(6,019)	27,967	27,967	0
Government Funding	(155,932)	0	(155,932)	(155,932)	0
Council Tax Requirement	97,598	0	97,598	100,477	2,879

The current forecast is an overspend of £2.88m. 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 projected 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 a nil variance, explanations for variances over £50k (totalling -42k) are set out in Appendix A.

The favourable movement of £192k from the reported position in November is due to the following variations: an improvement in the receipts from the Cemeteries service, an increase in planning applications, and management actions to deal with other minor variations.

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 rental income from the property portfolio. The Council has also lost grant totalling £55k from the Metropolitan Police.

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

The department is forecasting a balanced budget at year end using one off funds. Currently, there is a budget pressure of £1.4m. The overspend will be addressed through additional actions to balance the budget. The main forecast pressures, based upon prudent projections, are in Learning Disabilities (£0.9m) & Older People and Physical Disabilities (£1m). The budget will continue to be managed throughout the year to manage the forecast overspend and utilise specific HHASC reserves to meet any unfunded cost pressures.

Community Housing

There is currently a projected nil variance for 2014/15. This is made up of £508k overspend funded by £508k 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 (Average 2,344 compared to the budget of 2,059 in temporary accommodation as per the information available in December 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 £2.377m. This arises due to increasing demand for Children's services including Care Placements for Looked after Children and Leaving Care Costs (£1.98m), Social Work Teams (£0.39m), Unaccompanied Asylum Seeking Children (UASC) and UASC aged 18+ (£0.26m), and Special Education Transport (SEN) (£570k). SEN Transport has previously been included as a risk pending detailed work being carried out to assess the impact of increased demand. A request to fund the SEN transport pressure from contingency in 2014/15 is included as a recommendation in this report and if agreed this would result in a net forecast overspend of £1.807m.

As the aforementioned pressures continue to rise, management actions continue to be applied in order to manage the budget and these have contributed further savings elsewhere in the budget in order to minimise the forecast overspend, including Catering (£0.35m) Business Improvement (£0.155m) and Admissions (£0.079m). 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.

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 transposition of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The *Bank Recovery and Resolution Directive* promotes the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast *Deposit Guarantee Schemes Directive* includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, the credit risk associated with making unsecured bank deposits will increase relative to the risk of other investment options available to the Authority.

As a consequence, the Authority will plan to hold less cash and hence reduce the risk of being open to bank defaults and increases of local authorities being more open to 'bail in risks'.

We are also looking at using secured investment vehicles such as Repo Bonds

and Protective Bonds. These new instruments will form part of the Council's 2015/16 Treasury Management Strategy.

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 recommendation 2.3 is agreed relating to SEN Transport within Schools & Children's Services this balance will be fully utilised.

7. Housing Revenue Account (HRA) – Projected £582k Underspend

The HRA is projecting a surplus of £582k in 2014/15. 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, plus underspends of £45k in the Under-occupation budget. The forecasted underspend on consultants and software procurement has increased to £60k, which, with a saving of £17k from Housing Strategic Services, gives an overall underspend on S&M General of £537k.

The projected underspend on S&M Special has increased to £161k, made up of a contingency of £100k for possible increases in energy costs which have not materialised and is no longer needed, £55k on Sheltered Housing, plus an additional £6k on Landlord Services.

The additional council tax bills due on empty properties total £260k, after an increase last month of £160k, due to a review confirming the validity of the bills. The bills have arisen from changes in the grace periods previously granted to the council for void properties.

There is now a projected under-spend of £129k on Business Rates due to refunds being received on bills covering the last five years.

Rent Non Dwellings has a projected net additional income figure of £8k based on the latest estimates from the managing agents, after a refund of £12k.

The current R&M monitoring shows a projected underspend of £311k, a £75k increase from the November position. However, this could be affected by ongoing works and the potential impact of bad weather.

The Bad Debt provision was reduced last month by £74k, with the possibility of further savings.

The Rents Dwellings income continues to be forecast to under recover by £380k, the same as last month, 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 £8.9m of

savings (81%) are classified as Blue or Green (on course for full achievement). £1.8m are currently Amber with £0.2m 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 December 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	(225)	15%	0	0%	(1,007)	66%	(300)	20%	(1,532)
Finance, Resources & Customer Services	0	0%	(89)	4%	(1,248)	56%	(894)	40%	(2,231)
Housing, Health & Adult Social Care	0	0%	(1,726)	34%	(1,279)	25%	(2,141)	42%	(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%	(1,061)	65%	(581)	35%	(1,642)
Total Savings for 2014/15	(225)	2%	(1,815)	17%	(5,012)	46%	(3,916)	36%	(10,968)

8.2 Savings agreed as part of previous budgets total £12.6m. £10.2m (79%) of these are traffic lighted as green or blue on course for achievement. £2.8m are red /amber and this is mainly the Prevention Strategy Impact saving of £900k within Schools & Children's Services and the Adult Social Care Customer Pathway saving of £1.2m.

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 £34.7k. An analysis of the fund as it currently stands for 2014-15 is shown below:

Resident's Priority Fund- December 14	£000's
Allocation 2014-15	700.0
Allocation c/fwd from 2012-13	34.7
Schemes approved to date	(133.2)
Balance currently available:	601.5
Bids currently submitted for approval:	222.7

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

Chief Executive	Forecast Budget Variation November 2014 (£'000)
The department is currently projecting a level spend.	
Chief Executive Total	0

Appendix A2

Environment	Forecast Budget Variation December 2014 (£'000)
Vehicle Leasing: • -£332k One-off underspend 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)
People's Transport: • +£235k 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
Development Management: • +£55k Overspend in Development Management. This is mainly due to an overspend in agency costs and an under achievement in the building control and Licensing income.	55
Other Variations	42
Environment Total	0

Appendix A3

Finance, Resources & Customer Services	Forecast Budget Variation December 2014 (£'000)
Property Services - 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
Corporate Governance - due to loss of income from the Metropolitan Police which cannot be adjusted by a reduction in expenditure.	55
Other Variations	(3)
Finance, Resources & Customer Services Total	502

Health, Housing and Adult Social Care	Forecast Budget Variation December 2014 (£'000)
Adult Social Care	
Key assumptions within the forecast are based on projected activity and year to year trends, which suggest that this is an accurate 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.	
Strategy & Resources - The service is projecting an underspend on Housing Related support contracts (-£389k), due to the early achievement of future year savings and underspends in Commissioning & Procurement team due to vacant posts (-£88k). However, these underspend have been offset by projected expenditure due to an increase in DoLs applications (+£80k)	(382)
Mental Health- the service is currently showing a projected underspend for the year. This is due to projected contributions to the cost of client care packages.	(58)
Learning Disabilities- 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. There is also continued risk related on Ordinary Resident case (OR), not included within the projection.	846
Older People and Physical Disabilities (the Customer Pathway)- The service is projecting care purchasing overspends against a net budget of £38m. 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.	994
Public Health Grant	
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 an underspend of £368k for 2014/15. Due to a reduction in staffing and operational costs. 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.	
Use of reserves and other control measures	(1,400)
Adult Social Care & Public Health	0

Health, Housing and Adult Social Care	Forecast Budget Variation December 2014 (£'000)
Community Housing	
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.	
Temporary Accommodation - There is a net overspend of £722k on temporary accommodation, this is mainly due to the increase in procurement of the more expensive nightly paid accommodation. There is a forecast 14% (285) rise in the number of homeless clients compared to budget. There is also £38k spend on out of hours emergency accommodation <i>The TA overspend is offset by contingency available.</i>	760
Salaries - There is a £273k overspend on salaries due to displaced staff as a result of the restructure, 251k underspend on other base budget staff and £20k underspend in early retirement costs.	2
Running costs - 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, £13k overspend relating to legal costs and also £37k additional refunds received	(254)
Specific contingency - balances available to offset overspend.	(508)
Note: 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.	
Community Housing	0
Housing, Health & Adult Social Care Total	0

Appendix A5

Schools & Children's Services	Forecast Budget Variation December 2014 (£'000)
Admissions The underspend is due to staff vacancies held pending a restructure	(79)
Lettings Agency The planned closure of this service will result in an overspend of £50k due to costs incurred during the wind-up process.	50
Catering An underspend in the region of £350k is projected based on current levels of income and expenditure including the effect of the UIFSM.	(350)
SEN Transport- This budget has previously been reported as a risk in this report. Detailed work has now been completed and the result is an estimated overspend of £570k. The increase is due to the an additional spaces required. Since 2011/12 this requirement has increased by 103 spaces or 14.5%. A contingency bid is to be made to fund this pressure in 2014/15	570
External Residential Childcare Placements The external residential homes and agency fostering budget are showing an overspend of £1,311k which is due to more clients and higher weekly average costs for clients who are more challenging and vulnerable, which means they require specialist care placements to address their complex needs. 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 29 Looked After Children and this increase is expected to continue. The increase of £78k this month is mainly due to a single new secure placement (+£56k) plus a number of minor net placement increases in agency fostering and residential homes placements.	1,311
Business Improvement Partnership- This service was estimating a £74k employee cost underspend as a result of delays in implementing the new staffing structure. Following budget scrutiny further employment savings of £81k have been identified	(155)
Assistant Director (Childrens) - An underspend has been identified within the division wide operating cost budgets.	(86)
Children in Need- Social Work Teams Increasing demand for services requires these teams to maintain their full staffing establishment to provide a safe service. Staff turnover which increased in the first half of the year resulting in higher costs due to agency staff filling key vacant posts has been reduced by recruitment and retention payments. The projection has decreased by £12k this month as a result of a slight reduction in agency staff costs.	389
Prevention of Care Section 17 - 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. The underspend has increased by £25k this month following a review of client support packages.	(89)
Adoption - There is an overspend due to an additional £153k 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.	153
Leaving Care - Client & Staffing Costs. The Leaving Care budget is currently projecting an overspend of £669k. This 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 alternative or new options for service provision for these clients where possible. There is also a shortage of semi-independent accommodation which means clients are unable to be moved from their expensive residential placements. In December there were an additional 3 new clients and additional costs for an existing client resulting in an overall increase of £36k.	669
Unaccompanied Asylum Seeking Adults. This budget is now supporting an additional 856 UASC client weeks above the original budget which is mainly due to an additional 21 clients this year. 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 decrease of £11k this month due to 2 new clients under 16 for which the standard Home Office grant income is higher than the actual costs incurred.	121
Former Unaccompanied Asylum Seeker Children 18+ - 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 fee threshold at 20 fee no grant funding will be claimable this year.	139
Other Variations	(266)
	2,377

Appendix A6

Schools Budget	Forecast Budget Variation December 2014 (£'000)
Schools Budgets - These variations do not form part of the General Fund position.	
Early Years- The overspend is primarily as a result of an increase in numbers of 3-4 year olds after the January 2014 headcount.	209
Unscheduled work at Southbury -collapsed ceiling. Galliard-electrical supplies and Walker-cladding & heating, have resulted in a projected overspend of around £56k which has reduced by £18k this month as a result of a projected underspend for CERA.	35
Special Education Needs- Overspends of £120k for L.A. Special School Day, £82k for Recoupment-Hospital, £45k for Mainstream Tuition & £610k for Independent Day are projected based on current client information. However these are reduced by underspends of £227k for Independent Residential, £75k for Speech Therapy and £133k for Peripatetic & Equipment resulting in a projected net overspend of £422k.	422
Central Licences- Licence fees higher than anticipated when budget set.	53
Schools Contingency- A large underspend is anticipated as a result of schools rate reviews resulting in some large backdated refunds.	(565)
Other Variations	44
	198

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

The Treasury Management position as at 31st December 2014 is set out below:

	Position 31st March 2014	30th June 2014	30th September	Position October	Position November	Position December
	£000's	£000's	£000's	£000's	£000's	£000's
Long term borrowing	265,624	265,624	264,079	264,079	264,079	264,079
Short-term borrowing	33,000	40,000	43,000	36,000	36,000	55,500
Total borrowing	298,624	305,624	307,079	300,079	300,079	319,579
Total investments	63,350	109,370	91,300	67,170	55,000	57,485
Net debt	235,274	196,254	215,779	232,909	245,079	262,094

Movement in debt over year

	1 st April 2014	Debt repaid	New debt	31st December 2014
	£000's	£000's	£000's	£000's
PWLB	232,085	(1,026)	-	231,059
Commercial loan	30,000	-	-	30,000
Salix	3,539	(519)	-	3,020
Temporary borrowing	33,000	(33,000)	55,500	55,500
Total borrowing	298,624	(34,545)	55,500	319,579

London Borough of Enfield Investments at 31st December 2014

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
Call Accounts						
HSBC Call Account	485,000		On demand	0.40%	1	AA-
Money Market Funds						
Ignis	2,000,000		On demand	0.48%	1	AAAm*
Termed Deposits						
Enfield Pension Fund	12,500,000	13/11/2014	12/02/2015	0.50%	43	n/a
Close Brothers	5,000,000	17/10/2014	25/01/2015	0.60%	25	A
Barclays Bank PLC	7,500,000	10/03/2014	09/03/2015	0.84%	68	A
Barclays Bank PLC	5,000,000	01/04/2014	31/03/2015	0.86%	90	A
Nationwide Building Society	7,500,000	10/04/2014	09/04/2015	0.81%	99	A
Nationwide BS	5,000,000	15/04/2014	14/04/2015	0.81%	104	A
Lloyds Bank PLC	5,000,000	22/04/2014	21/04/2015	0.95%	111	A
Lloyds Bank PLC	7,500,000	07/05/2014	06/05/2015	0.95%	126	A
Total - Investments	57,485,000		Average	0.75%	83	
Number of Investments	10					

London Borough of Enfield Short Term loans at 31st December 2014

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Caerthphilly CC	£5,000,000	13/10/2014	15/01/2015	0.29%	15
Northumberland CC	£15,000,000	22/12/2014	27/03/2015	0.49%	86
Worcestershire CC	£2,000,000	16/06/2014	05/05/2015	0.45%	125
Barnsley, Doncaster & Sheffield combined Authority	£5,000,000	31/10/2014	05/05/2015	0.45%	125
Humberside Fire & Rescue Services	£1,000,000	05/08/2014	21/05/2015	0.42%	141
West Yorks. Combined Auth.	£7,500,000	04/12/2014	04/06/2015	0.57%	155
Worcestershire CC	£2,000,000	05/08/2014	05/06/2015	0.45%	156
Wokingham B C	£2,000,000	01/07/2014	23/06/2015	0.44%	174
Portsmouth City Council	£5,000,000	27/06/2014	26/06/2015	0.45%	177
Crawley Borough Council	£3,000,000	01/07/2014	30/06/2015	0.45%	181
Wokingham BC	£3,000,000	18/09/2014	11/08/2015	0.48%	223
North Yorks CC	£5,000,000	01/12/2014	30/11/2015	0.70%	334
Total	£55,500,000		Average	0.49%	130

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

Appendix C

Red & Amber Savings - December 2014

Ref No.	Proposal Summary (from template)	Risk	Total 2014/15	Remarks
Red Savings			£000's	
Environment				
ENV04	Fleet Savings - People Transport	Red	(125)	Briefing paper to be produced to address savings and demographic pressures in order to balance the budget over the next two years.
ENV27	SEN Routing optimisation	Red	(100)	Briefing paper required to address savings and demographic pressures in order to balance the budget over the next two years.
Total Red Savings			(225)	
Housing, Health & Adult Social Care				
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	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 -	Amber	(876)	Pathway continues to monitor activity, finance and savings month on month. FMS monitor places this saving currently at amber.
Finance, Resources & Customer Services				
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.
Total Amber Savings			(1,815)	
Total Red / Amber Savings			(2,040)	