

## MUNICIPAL YEAR 2014/2015 REPORT NO: 215

### MEETING TITLE AND DATE:

Cabinet: 29<sup>th</sup> April 2015

### 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: February 2015**

**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 February 2015. The report forecasts an outturn position of £1.95m overspend for 2014/15 subject to action plans to contain budget pressures.

## 2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the £1.95m overspend revenue outturn projection.

## 3. BACKGROUND

- 3.1 This report updates Cabinet on latest revenue monitoring position for 2014/15. It provides a snapshot of the revenue position for each Department and for the Council as a whole, and provides information on projected additional budget pressures and risks, and any significant underspends in the current year. 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.
- 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	• Year-end forecast variances of £1.95m overspend have been identified to date in relation to General Fund net controllable expenditure.	Red	Red	Red
	• Budget profiling across all departmental budgets continues to be applied in order to better reflect predicted net spending patterns throughout the year.	Green	Green	Green
	• The HRA is projecting a £1.07m surplus for year-end outturn against budget.	Green	Green	Green
Balance Sheet	• The current profile of cash investments continues to be in accordance with the Council’s approved strategy for prioritising security of funds over rate of return.	Green	Green	Green
	• The year-end projections for General Fund balances 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	• The Council’s cash balances and cashflow forecast for the year (including borrowing) will ensure sufficient funds are available to cover planned capital and revenue commitments when they fall due.	Green	Green	Green
	• Interest receipts forecast for the year are on target with budget.	Green	Green	Green

#### 4. February 2015 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>February 2015</b>		<b>Net Controllable Budget</b>			
<b>Department</b>	<b>Original Budget</b>	<b>Approved Changes</b>	<b>Approved Budget</b>	<b>Projected Outturn</b>	<b>Projected Variation</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Chief Executive	3,423	(21)	3,402	3,402	0
Environment	27,405	2,877	30,282	30,282	0
Finance, Resources & Customer Services	46,668	1,474	48,142	48,142	0
Health, Housing and Adult Social Care	92,094	(252)	91,842	91,842	0
Schools & Children's Services	49,635	2,491	52,126	54,076	1,950
<b>Total Department Budgets</b>	<b>219,225</b>	<b>6,569</b>	<b>225,794</b>	<b>227,744</b>	<b>1,950</b>
Collection Fund	319	0	319	319	0
Corporate Items	33,986	(6,569)	27,417	27,417	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>99,548</b>	<b>1,950</b>

The current forecast is an overspend of £1.95m. 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 as far as possible 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 level spend; explanations for variances over £50k are detailed in Appendix A. There is no movement in the reported position from January 2015.

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

Finance, Resources & Customer Services are currently projecting a level spend in 2014/15. The change in the projected outturn relates to corporate savings from improved debt collection and treasury management resulting in a saving for 2014/15 only as the full year effect of future interest savings have already been built into the 2015/16 Budget and Medium Term Financial Plan.

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

The department is forecasting a balanced budget at year end using one off non-recurring funds. Currently, there is a budget pressure of £1.4m. This overspend will be addressed through additional actions to balance the budget. The main forecast pressures, based upon prudent projections, are in Learning Disabilities (£1.0m) & Older People and Physical Disabilities (£1.2m). The department will 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 £162k overspend funded by £162k 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 January 2015 - 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 £1.950m. This arises due to increasing demand for Children's services, including Care Placements for Looked after Children and Leaving Care Costs (£2.382m), Social Work Teams (£0.369m), Unaccompanied Asylum Seeking Children (UASC) and UASC aged 18+ (£0.300m)

The aforementioned pressures have risen throughout the year, with the continued upward trend of the demographic pressures and the increasing numbers of children presenting with complex needs resulting in a significant projected year end overspend. Management actions that have been applied in order to manage controllable budgets have contributed a number of savings elsewhere in the service in order to minimise the forecast overspend.

Cabinet 11<sup>th</sup> February approved a request to fund the SEN transport pressure of £0.570m from contingency in 2014/15 so this is not included in these figures.

#### **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**

During the month the Authority borrowed a further £5m to finance the purchase of houses through House Gateway Ltd.

A summary of this year's Treasury Management activity is set out in Appendix B.

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

The Council maintains a general contingency of £1.0m. This has been fully utilised in 2014-15 for pressures relating to SEN Transport and costs relating to No Recourse to Public Funds expenditure within Schools & Children's Services.

## **7. Housing Revenue Account (HRA) – Projected £1,068k Underspend**

The overall HRA position for February 2015 is projected to be a surplus of £1,518k, an increase of £441k from the previous month. There are four main areas of underspend – Repairs Admin (Project Management & CTS Fees) - £110k, Supervision & Management Special - £120k, Repairs Base - £201k, and Rent Dwellings - £10k.

The RTB's sales forecast has been revised down from 200 to 180 for 2014/15, giving a reduction in administration income of £513k. After adjustment for the budgeted costs and additional RTB administrative and legal costs, the projected surplus will be reduced to £358k. The under-occupation budget is forecast to underspend by £45k, while the projected underspends on consultants software procurement and miscellaneous expenses have increased to £120k. Together with a saving of £17k from Housing Strategic Services, this gives an overall underspend on Supervision & Management- General of £540k.

The projected under-spend on Supervision & Management-Special has increased by £120k to £356k, due mainly to further savings on Grounds Maintenance of £160k and savings on the new contract (£60k), offset by an increase of £40k in Safe & Connected costs.

The additional council tax bills due on empty properties totals £260k, after a previous increase of £160k. This is due to a review confirming the validity of a large number of unexpected bills. The bills have arisen from changes in the grace periods previously granted to the council for void properties.

The projected under-spend of £129k on Business Rates remains unchanged. The under-spend is due to backdated rate refunds in 2014/15 relating to previous years.

The additional income for Rent Non-Dwellings (Shops/Commercial) remains unchanged at £2k additional income from a short-life property.

The current Repairs & Maintenance (R&M) monitoring shows a projected under-spend of £829k, an increase of £201k from last month. Apart from the reduction in the Paint contract as reported last month, due to investigations carried out by the Technical team, old accrued works orders to the value of £420k have been approved for cancellation, increasing the underspend to £829k.

Repairs Administration (Project Management & CTS Fees) shows a potential saving on the £200k set aside for R&M Procurement of £110k if no further consultancy and legal fees are incurred.

The shortfall on Rents Dwellings of £315k has been reduced by £10k to £305k, due to the reduction in the number of RTB sales expected from 200 to 180 in January.

The Bad Debt provision remains unchanged from last month when it was reduced by a further £26k to £100k, with the possibility of further savings.

## 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 £10.7m of savings (98%) are classified as Blue or Green (on course for full achievement). £0.22m are currently Red. Appendix C provides supporting information for the Red savings. The overall savings position in terms of traffic light classifications is set out below:

**Table 3: New Savings Monitor - Summary Position February 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%	0	0%	(1,337)	60%	(894)	40%	(2,231)
Housing, Health & Adult Social Care	0	0%	0	0%	(3,005)	58%	(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%	(75)	5%	(1,567)	95%	(1,642)
<b>Total Savings for 2014/15</b>	<b>(225)</b>	<b>2%</b>	<b>0</b>	<b>0%</b>	<b>(5,841)</b>	<b>53%</b>	<b>(4,902)</b>	<b>45%</b>	<b>(10,968)</b>

8.2 Departmental savings agreed as part of previous budgets total £12.9m. £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 has been increased by the carry forward of 2013-14 budget not awarded in year of £34k and £9k of underspent resources from 13/14 was reassigned to new projects at the Jan 7<sup>th</sup> 2015 ERPF Sub-Committee meeting. An analysis of the fund as it currently stands for 2014-15 is shown below. The final Sub-Committee meeting for 2014-15 met on March 30<sup>th</sup> 2015 where the final bids from the allocation were considered. Any unawarded funds will be finalised as part of the Councils' closedown process and returned to contingency.

Resident's Priority Fund- February 15	£000's
Allocation 2014-15	700.0
Carry Forward & Underspend 2013-14	43.7
Schemes approved to date	(403.4)
<b>Balance currently available:</b>	<b>340.3</b>
Bids currently submitted for approval:	359.0

## **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>Budget Variation February 2015 (£'000)</b>
<i>The department is currently projecting a level spend.</i>	
<b>Chief Executive Total</b>	<b>0</b>

## Appendix A2

<b>Regeneration &amp; Environment</b>	<b>Budget Variation February 2015 (£'000)</b>
<b>Vehicle Leasing:</b> • -£222k 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.	(222)
<b>People's Transport:</b> • +£189k 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.	189
<b>Other Variations</b>	33
<b>Regeneration &amp; Environment Total</b>	<b>0</b>

**Appendix A3**

<b>Finance, Resources &amp; Customer Services</b>	<b>Budget Variation February 2015 (£'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.	502
<b>Corporate</b> savings from improved debt collection and treasury management resulting in a saving on budgeted bad debt provision and interest costing in 2014/15 only.	(500)
<b>Other Variations</b>	(2)
<b>Finance, Resources &amp; Customer Services Total</b>	<b>0</b>

<b>Health, Housing and Adult Social Care</b>	<b>Budget Variation February 2015 (£'000)</b>
<b>Adult Social Care</b>	
<i>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.</i>	
<b>Strategy &amp; Resources</b> - The service is projecting an underspend on Housing Related Support contracts (-£425k), due to the early achievement of future year savings and underspends in the Commissioning & Procurement team due to vacant posts (-£85k). However, these underspends have been offset by projected expenditure from an increase in DoLs applications (+£49k).	(461)
<b>Mental Health</b> - The service is currently projecting an underspend for the year. This is due to projected contributions to the cost of client care packages.	(59)
<b>Learning Disabilities</b> - The service continues to project an overspend position as a result of managing demand led services. The continued risk relating to Ordinary Residence cases has altered this month's projection by £170k, this was previously reported as risk due to the threat of Secretary of State involvement.	1,016
<b>Older People and Physical Disabilities (the Customer Pathway)</b> - The service is projecting care purchasing overspends against a net budget of £38m. Projection has increased in month by £246k reduced income and a steady increase in the volume and cost of client activity. There is also pressure as a result of an increase in Safeguarding Adults referrals.	1,240
<b>Independence &amp; Wellbeing Services</b> - Movement relates to additional income.	(156)
<b>HHASC Care Purchasing Pressures Contingency</b> - one-off monies held centrally to manage unforeseen pressures in year.	(180)
<b>Public Health Grant</b>	
<i>The departmental forecast also includes ring fenced Public Health Grant.</i>	
Public Health grant allocated in 2014/15 is £14.2m. The Public Health service is projecting an underspend of £550k 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 into the next financial year to meet the grant conditions.	0
<i>Use of reserves and other control measures</i>	(1,400)
<b>Adult Social Care &amp; Public Health</b>	0
<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 £626k 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>	664
<b>Salaries</b> - There is a £273k overspend on salaries due to displaced staff as a result of the restructure , £194k underspend on other base budget staff and £20k underspend in early retirement costs.	60
<b>Running costs</b> - There is a projected underspend in non-staffing costs of (£35k), underspend on PSL repairs of (£350k) due to favourable winter weather, underspend on PSL furniture purchase of (£130k) due to reduced turnover in PSL properties and overspend on furniture storage budgets of 23k, overspend relating to legal costs of £13k . Also there is (£37k) additional refunds received.	(562)
<b>Specific contingency</b> -balances available to offset overspend.	(162)
<b>Community Housing Total</b>	0
<b>Housing, Health &amp; Adult Social Care Total</b>	0

## Appendix A5

<b>Schools &amp; Children's Services</b>	<b>Budget Variation February 2015</b>
<b>Admissions</b> The underspend is due to staff vacancies held pending a restructure	(64)
<b>Catering</b> An underspend in the region of £100k is projected based on current levels of income and expenditure including the effect of the UIFSM. The £250 increase from last month is based on a review of income projections to take account of a significant reduction in FSM numbers	(100)
<b>Education Psychologists</b> This service is now estimated to underspend in the region of £47k after allowing for a one-off contribution from earmarked reserves of £275k. The underspend relates to a reduction in the recharge from the Mental Health Trust .	(47)
<b>External Residential Child Care Placements</b> The external residential homes and agency fostering budget are showing an overspend of £1,507k 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 February 2014 there has been a net increase of 54 or 19% in Looked After Children and this increase is expected to continue. The increase of £62k this month is mainly due to new or extended agency fostering placements (+£27k) plus a new residential school placement (+£35k).	1,507
<b>Business Improvement &amp; Partnership Service</b> The underspend results from staff vacancies due to a delay in implementing the new staffing structure.	(155)
<b>Assistant Director (Children's Services)</b> The underspend on operational costs has remained the same this month.	(72)
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.	369
<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. A further contribution from the DHP is being negotiated. The underspend has increased this month following a review of the current clients support packages.	(88)
<b>In-House Fostering Allowances &amp; Staffing</b> The allowances budget is projecting an overspend of £104k which is based on existing and known placements. In February the projection increased by £21k due to 10 new placements. In addition there is a projected overspend of £26k within the staffing budget due to long term sickness.	130
<b>Adoption</b> - An overspend of £108k is projected mainly due to an increase in the numbers of children placed under a special guardianship order plus a £38k employee cost overspend within the staffing budget as the team has been fully staffed team through out 2014/15.	146
<b>Looked after Children - Social Work</b> Team is now reporting an underspend of £87k which is due to delays in appointing to vacant posts.	(87)
<b>Leaving Care Client &amp; Staffing Costs</b> The Leaving Care client costs budget is currently projecting an overspend of £875k. This is partially due to a 25% increase in the number of clients in the last 2 years since January 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 needs. 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 February there were an additional 3 new clients (+£51k) and additional costs included for existing clients (+£156k) resulting in an overall increase of £207k this month.	875
<b>Unaccompanied Asylum Seeking Children</b> This budget is now supporting an additional 902 UASC client weeks above the original budget which is mainly due to an additional 24 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. The projection has decreased by £11k this month as a client has turned 18 and some support hours have been reduced.	158

**Appendix A5**

<b>Schools &amp; Children's Services</b>	<b>Budget Variation February 2015 (£1000)</b>
<b>Former Unaccompanied Asylum Seeking 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.	142
<b>Joint Service for Disabled Children - Overnight Breaks</b> This underspend is a result of 2 of the overnight providers being unable to provide a service at present. This has impacted on the placement of 3 young people. The underspend has increased this month as fewer breaks are now expected before the end of March.	(57)
<b>Joint Service for Disabled Children - Commissioning &amp; Direct Payments</b> There has been a reduction in the number of children accessing commissioned services as a result of the short break grant scheme. The underspend has decreased this month following a review of commitments until the end of March.	(75)
<b>Youth &amp; Family Support Service</b> - Following the restructuring of the YFSS budget this service is now reporting a number of underspends mainly within the staffing, positive activities and special projects budgets. The underspend partly arises from staff vacancies due to difficulties in appointing suitable permanent and agency staff required to cover vacant posts following the restructure. Non staffing savings have resulted from delays in some training and programme delivery work, a review of client project work costs and a delay in the play area works at Ponders End Youth Centre.	(529)
<b>Other Variations</b>	(103)
<b>Schools &amp; Children's Services Total</b>	<b>1,950</b>

## Appendix A6

<b>Schools Budget</b>	<b>Budget Variation February 2015 (£'000)</b>
<i>Schools Budgets - These variations do not form part of the General Fund position.</i>	
<b>Early Years</b> A net overspend of £183k is the result of an increase in numbers of 3-4 year olds in PVI provision	183
<b>Early Years Schools</b> - The budget for early years pupils in school nursery classes will be underspent due to a lower take up of places than included in original school places.	(149)
<b>Special Education Needs-</b> Overspends of £188k for L.A. Special School Day, £82k for Recoupment-Hospital & £766k for Independent Day are projected based on current client information. However these are reduced by underspends of £51k for Mainstream Tuition, £175k for Independent Residential, £171k for Speech Therapy and £164k for Peripatetic & Equipment resulting in a projected net overspend of £475k.	475
<b>Central Licences-</b> Licence fees higher than anticipated when budget set.	54
<b>Schools Maternity-</b> An overspend of £90k is projected based on latest information from schools.	90
<b>Schools Contingency-</b> A large underspend is anticipated as a result of schools rate reviews resulting in some large backdated refunds.	(625)
<b>Other Variations</b>	16
<b>Schools Total</b>	<b>44</b>

### Treasury Management Cashflow Investments & Borrowing as at 28th February 2015

The Treasury Management position as at 28th February 2015 is set out below:

	31st March 2014	30th June 2014	30th September 2014	31st December 2014	31st January 2015	28th February 2015
	£000's	£000's	£000's	£000's	£000's	£000's
Long term borrowing	265,624	265,624	264,079	264,079	269,079	274,079
Short-term borrowing	33,000	40,000	43,000	55,500	55,500	55,500
<b>Total borrowing</b>	<b>298,624</b>	<b>305,624</b>	<b>307,079</b>	<b>319,579</b>	<b>324,579</b>	<b>329,579</b>
Total investments	63,350	109,370	91,300	57,485	56,630	79,600
<b>Net debt</b>	<b>235,274</b>	<b>196,254</b>	<b>215,779</b>	<b>262,094</b>	<b>267,949</b>	<b>249,979</b>

### Movement in debt over year

	1 <sup>st</sup> April 2014	Debt repaid	New debt	28th February 2015
	£000's	£000's	£000's	£000's
PWLB	232,085	(1,026)	-	231,059
Commercial loan	30,000	-	-	30,000
Gloucester CC			10000	10,000
Salix	3,539	(519)	-	3,020
Temporary borrowing	33,000	(33,000)	55,500	55,500
<b>Total borrowing</b>	<b>298,624</b>	<b>(34,545)</b>	<b>65,500</b>	<b>329,579</b>

### London Borough of Enfield Investments at 28th February 2015

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
<b>Call Accounts</b>	£					
HSBC	5,600,000		On demand	0.40%	1	AA-
Handelsbanken	12,500,000		On demand	0.55%	1	AA-
<b>Money Market Funds</b>						
Ignis	8,000,000		On demand	0.48%	1	AAA <sup>m</sup> *
Goldman Sachs	8,000,000		On demand	0.48%	1	AAA <sup>m</sup> *
HSBC	8,000,000		On demand	0.48%	1	AAA <sup>m</sup> *
<b>Termed Deposits</b>						
Barclays Bank PLC	7,500,000	10/03/2014	09/03/2015	0.84%	9	A
Barclays Bank PLC	5,000,000	01/04/2014	31/03/2015	0.86%	31	A
Nationwide Building Society	7,500,000	10/04/2014	09/04/2015	0.81%	40	A
Nationwide BS	5,000,000	15/04/2014	14/04/2015	0.81%	45	A
Lloyds Bank PLC	5,000,000	22/04/2014	21/04/2015	0.95%	52	A
Lloyds Bank PLC	7,500,000	07/05/2014	06/05/2015	0.95%	67	A
<b>Total - Investments</b>	<b>79,600,000</b>		<b>Average</b>	<b>0.67%</b>	<b>41</b>	
Number of Investments	11					

**London Borough of Enfield Short Term loans at 28th February 2015**

<b>Financial Institution</b>	<b>Principal</b>	<b>Start Date</b>	<b>Effective Maturity</b>	<b>Rate</b>	<b>Days to Maturity</b>
Caerthphilly CC	£5,000,000	12/01/2015	09/03/2015	0.29%	9
Northumberland CC	£15,000,000	22/12/2014	27/03/2015	0.49%	27
Worcestershire CC	£2,000,000	16/06/2014	05/05/2015	0.45%	66
Barnsley, Doncaster & Sheffield combined Authority	£5,000,000	31/10/2014	05/05/2015	0.45%	66
Humberside Fire & Rescue Services	£1,000,000	05/08/2014	21/05/2015	0.42%	82
West Yorks. Combined Auth.	£7,500,000	04/12/2014	04/06/2015	0.57%	96
Worcestershire CC	£2,000,000	05/08/2014	05/06/2015	0.45%	97
Wokingham B C	£2,000,000	01/07/2014	23/06/2015	0.44%	115
Portsmouth City Council	£5,000,000	27/06/2014	26/06/2015	0.45%	118
Crawley Borough Council	£3,000,000	01/07/2014	30/06/2015	0.45%	122
Wokingham BC	£3,000,000	18/09/2014	11/08/2015	0.48%	164
North Yorks CC	£5,000,000	01/12/2014	30/11/2015	0.70%	275
<b>Total</b>	<b>£55,500,000</b>		<b>Average</b>	<b>0.49%</b>	<b>80</b>

## Red &amp; Amber Savings - February 2015

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)	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 to be produced to address savings and demographic pressures in order to balance the budget over the next two years.
<b>Total Red Savings</b>			<b>(225)</b>	