

## MUNICIPAL YEAR 2015/16 REPORT NO:80

**MEETING TITLE AND DATE:**

Cabinet: 21<sup>st</sup> October 2015

**Report Of:**

Director of Finance, Resources and  
Customer Services

**Contact:**

Isabel Brittain: 0208 379 4744

**AGENDA PART 1****ITEM 8**

**Subject: Revenue Monitoring Report  
2015/16: August 2015**

Wards: All

Key Decision: KD 4149

Cabinet Member Consulted:  
Cllr Andrew Stafford

### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of August 2015. The report forecasts an outturn position of £4.0m overspend for 2015/16. This figure takes account of the mitigation of the Enfield 2017 shortfall in 2015-16 of £7.1m that will be met from reserves in 2015/16. This will be fully achieved in 2016/17.
- 1.2 Corporate Management Board are working with departmental Management Teams and Finance Officers to identify in-year savings to mitigate the £4.0m overspend.

### 2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the revenue outturn projection.
- 2.2 Agrees that departments reporting pressures should formulate and implement action plans to ensure that all possible actions are undertaken to remain within budget in 2015/16.

### 3. BACKGROUND

- 3.1 The Council's revenue expenditure against budget is monitored by regular monitoring reports to the Corporate Management Board and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council as a whole, and provide details of any projected additional budget pressures and risks, or any significant underspends.
- 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		
		June	July	Aug
Income and expenditure position	• Year-end forecast variances of £4.0m departmental 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. Plans have been implemented to manage this variance.	Red	Red	Amber
	• Budget profiling across all departmental budgets will continue to be applied in order to better reflect predicted net spending patterns throughout the year. Budget holders now profile individual budgets based on anticipated spend across the year.	Amber	Amber	Amber
	• The HRA is projecting a level spend in 2015-16.	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 may not meet the Council's Medium Term Financial Strategy target levels based on the current forecast overspend.	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. August 2015 Monitoring – General Fund

- 4.1 A summary of the departmental and corporate projected outturns and variances against budget is set out in Tables 2 & 3 as follows:

**Table 2: Forecast Projected Outturn Variances**

<b>August 2015</b>  <b>Department</b>	<b>Net Controllable Budget</b>					
	<b>Original Budget</b>	<b>Approved Changes</b>	<b>Approved Budget</b>	<b>Projected Outturn</b>	<b>July Variation</b>	<b>August Variation</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Chief Executive	3,372	(1,728)	1,644	1,644	0	0
Regeneration & Environment	28,796	(1,971)	26,825	26,524	107	(301)
Finance, Resources & Customer Services	44,365	12,232	56,597	57,412	583	815
Health, Housing and Adult Social Care	91,276	(3,184)	88,092	88,092	0	0
Children's Services	49,045	(4,007)	45,038	48,559	3,896	3,521
Enfield 2017*	(15,100)	0	(15,100)	(8,000)	7,100	7,100
<b>Total Department Budgets</b>	<b>201,754</b>	<b>1,342</b>	<b>203,096</b>	<b>214,231</b>	<b>11,686</b>	<b>11,135</b>
Contribution from reserves	0	0	0	(7,100)	(7,100)	(7,100)
Collection Fund	(2,825)	0	(2,825)	(2,825)	0	0
Corporate Items	36,419	(1,342)	35,077	35,077	0	0
Government Funding	(134,431)	0	(134,431)	(134,431)	0	0
<b>Council Tax Requirement</b>	<b>100,917</b>	<b>0</b>	<b>100,917</b>	<b>104,952</b>	<b>4,586</b>	<b>4,035</b>

\*Enfield 2017 is projected to achieve approximately £8m of a £15.1m savings total included in the budget for 2015/16. Any balance of savings required will be funded by one off reserves. The full year effect of the Enfield 2017 proposals will provide £15.1m of savings in 2016/17.

#### 5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & PROJECTED SAVINGS

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

The department is currently projecting a level spend. There are no current budget variances over £50k to report.

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

The department is currently projecting a favourable variance of £301k; explanations for variances over £50k (totalling -£194k) are detailed in Appendix A.

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

The Finance Resources and Customer Services are projecting an overspend in 2015/16 of £815k. The overspend is due mainly to loss of rent income from across the commercial portfolio as a result of redevelopment and vacant units as well as loss of income from Transport for London's bus shelter contract due

to cessation. There are additional budget pressures due to loss of government grant income from Registrar Services and non-recoverable costs of Multifunction Devices (MFDs).

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

##### **Adult Social Care**

The department is forecasting a balanced budget at year end. Although there is currently a budget pressure of £2.359m, any overspend will be addressed through the use of one off earmarked reserves to ensure the department report a balanced position. The main forecast pressures are in Learning Disabilities (£1.5m), Older People (£1.7m) and Physical Disabilities (£0.3m). These figures include the allocation of 2015/16 Better Care Fund.

##### **Community Housing**

There is currently a projected nil variance for 2015/16. Included in this variance is a one-off contribution to reserves of 212k. However, this area of spend remains volatile and the underlying pressure due to an increased number of homeless clients still remains. There has been a £2m net budget to increase in 15/16 to reduce these pressures and there is also on-going mitigation work being carried out looking at cost avoidance schemes which will manage both service demand and costs of all forms of temporary accommodation. There is a risk around the market management of NPA as it is under severe stress due to the West London DPS procurement framework. If this goes ahead the service will not be able to achieve the £5m proposed savings target. There is also an emerging risk due to the CLG review of Homelessness Grant, which may result in removal of the £539k Homelessness Prevention Grant.

#### **5.5 Children's Services (Appendix A5)**

Children's Services are currently projecting an overspend of £3.521m. This arises due to increasing demand for Children's services, including, Leaving Care Client costs (£1.06m), Social Work Teams (£0.590m), Unaccompanied Asylum Seeking Children (UASC) and UASC aged 18+ (£0.694m), SEN Transport (£0.800m), Special Guardianship Allowances (£0.228m), Prevention of Care payments (£117k), additional Fostering Allowances (£137k) due to new placements.

The aforementioned pressures, which are a continuation of pressures reported in the previous financial year, will be monitored and management actions are being undertaken to reduce them as far as possible throughout the year. However, a significant projected year end overspend is currently anticipated due to the continued upward trend of the demographic pressures and the increasing numbers of children presenting with complex needs. This was recognised as a risk in the budget setting process for 2015/16.

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

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

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

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

The Council's net debt position has increased since 1st April 2015 by £20 million and will continue to do so over the year. This is because of the impact of a number of key strategic land purchases for Meridian Water (£18m) and the purchase of a farm (£3m) and as the Council continues to purchase/build residential homes through Housing Gateway and Enfield Innovation. A further land acquisition for Meridian Water (£29m) is planned for later in the year, this will also need to be financed.

The Governor of the Bank of England has now confirmed that short-term rates will rise steadily over the next two years. Hence, it now looks an opportune time to move into longer term rates.

The Council will continue to look to minimise the cost of borrowing, however, this increased borrowing cost has been recognised in the Council's Medium Term Financial Plan.

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

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

The Council maintains a general contingency of £1.0m. It is expected that £0.6m of this contingency will be utilised for the funding of expenditure in Schools & Children's Services relating to No Recourse to Public Funds costs agreed by Cabinet in 2014-15. The balance of £0.4m is currently unutilised.

## **7. Housing Revenue Account (HRA) – Projected Level Spend**

The HRA projection for August is a nil variance. This is because any identified underspends are being removed from managers' budgets in order to increase the balance carried forward into 2016/17. So far, £882k has been identified as ongoing savings to the HRA. The target is to find £1.5m in total. This has been agreed in response to the Government's new rent policy, which will lead to a shortfall in income of £2.2m in 2016/17 alone. A major review of the Business Plan is currently being undertaken, the outcome of which will be reported to Cabinet in November.

## **8. ACHIEVEMENT OF SAVINGS**

- 8.1 The 2015/16 Budget Report included new savings and the achievement of increased income totalling £31.6m to be made in 2015/16. To date £14.1m of savings (45%) are classified as Blue or Green (on course for full achievement). £6.8m are currently Amber with £10.7m currently classed as Red. The Enfield 2017 element of this saving (£7.1m) will be met from contributions from reserves as the savings come on-line, as stated in the July monitoring report to Cabinet. 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 4: New Savings Monitor - Summary Position August 2015**

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
Environment	0	0%	0	0%	(1,894)	100%	0	0%	(1,894)
Finance, Resources & Customer Services	0	0%	(56)	5%	(947)	80%	(180)	15%	(1,183)
Housing, Health & Adult Social Care	(3,560)	33%	(6,450)	60%	(750)	7%	0	0%	(10,760)
Schools & Children's Services	0	0%	(292)	18%	(848)	53%	(450)	28%	(1,590)
Corporate	0	0%	0	0%	(1,060)	100%	0	0%	(1,060)
Enfield 2017	(7,100)	47%	0	0%	(8,000)	53%	0	0%	(15,100)
<b>Total New Savings for 2015/16</b>	<b>(10,660)</b>	<b>34%</b>	<b>(6,798)</b>	<b>22%</b>	<b>(13,499)</b>	<b>43%</b>	<b>(630)</b>	<b>2%</b>	<b>(31,587)</b>

## 9. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

## 10. REASONS FOR RECOMMENDATIONS

To ensure that Members are aware of the projected budgetary position for the Authority, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.

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

### 11.1 Financial Implications

As the Section 151 Officer, the Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority. The monthly revenue monitoring is part of this review process and this latest monitoring report confirms that there will be a reduction in the Council's reserves in order to manage the Council's major transformation initiative Enfield 2017. In terms of the departmental projected variance of £4m, measures will be put in place to address risks identified through the monitoring process and contain expenditure within approved budgets.

### 11.2 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.

### 11.3 Property Implications

Not applicable in this report.

## 12. KEY RISKS

There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan:-

- Achievement of challenging savings targets.
- State of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt.
- Uncontrollable demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.
- Potential adjustments which may arise from the Audit of various Grant Claims.
- Movement in interest rates.

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

## 13. IMPACT ON COUNCIL PRIORITIES

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

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

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

## 14. 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.

## **15. PERFORMANCE MANAGEMENT IMPLICATIONS**

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

### **Background Papers**

None



**Appendix A1**

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

**Appendix A2**

<b><i>Regeneration &amp; Environment</i></b>	<b><i>Budget Variation August 2015 (£'000)</i></b>
Overspend in Community Safety due to a delay in reconfiguring agreed budgets.	68
Overspend in Regulatory Services, this is mainly due to an under achievement in licensing income.	210
Underspend in Development Management due to an over achievement in planning fees.	(64)
Overspend in Street Lighting is forecast as a result of additional payments to the Street Lighting Reserve.	90
Underspend in Vehicle Leasing charges which is due to the planned delay as a result in service reviews in the purchase of vehicle and parks equipment.	(163)
Efficiencies identified following on-going project to review services across the department.	(160)
Underspend in Traffic & Transport Service as a result of capitalisation of salaries to approved capital schemes e.g. Cycle Enfield, additional Temporary Traffic Order income and a reduction in Traffic signal maintenance payments to TfL.	(175)
<b><i>Other Variations:</i></b>	<b><i>(107)</i></b>
<b><i>Regeneration &amp; Environment Total</i></b>	<b><i>(301)</i></b>

**Appendix A3**

<b>Finance, Resources &amp; Customer Services</b>	<b>Budget Variation August 2015 (£'000)</b>
<b>Information &amp; Comm. Technology (ICT)</b> - Reduction in recovery of MFD printing costs	137
<b>Legal &amp; Corporate Governance Services</b> - Reduction in citizenship income from Government and additional staff costs in Legal services due to use of agency staff.	181
<b>Property Services</b> - Shortfall of rent income mainly from Palace Garden Exchange, New Southgate Estate, Bus Shelters, Community House, the Ark and Swan Annexe respectively. These have been offset in part by additional rent income from the Civic Centre, Ordnance Hub, Green Towers and Housing Gateway Ltd.	618
<b>Other Items</b>	(121)
<b>Finance, Resources &amp; Customer Services Total</b>	<b>815</b>

<b>Health, Housing and Adult Social Care</b>	<b>Budget Variation August 2015 (£'000)</b>
<b>Adult Social Care</b>	
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. A significant risk in 2015/16, as a consequence of the 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 have seen a significant increase in the number of people requiring a DoLS assessment.	
<b>Strategy &amp; Resources</b> - The service is projecting an overspend from an increase in Deprivation Of Liberty (DoLS) applications (+£200k) and Voluntary Community Sector (+£185k). This is partly offset through Housing Related Support contracts (-£115k), due to the early achievement of future year savings.	270
<b>Mental Health</b> - The service is currently projecting an overspend for the year on care packages. There has been a slight movement of £17k in month due to variations in care packages.	136
<b>Learning Disabilities</b> - The service continues to project an overspend position as a result of managing demand led services. Not included in the monitor are additional risks of £0.5m for Continuing Health Care. The movement between months is due to the inclusion of Ordinary Residents cases (£186K) and increased costs of care packages (£176k).	1,538
<b>Older People and Physical Disabilities (the Customer Pathway)</b> - The service is projecting care purchasing overspends against a net budget of £34m. This position is consistent with last year's care purchasing overspend. The movement between months of £225k is due to the increased projection for complex care packages which require Residential and Nursing placements.	2,025
<b>Independence &amp; Wellbeing Services</b> - The projected underspend is due to additional client income. The movement between months of £-150k is due to additional budget pressures anticipated for Transport recharges of £224k, offset by used creditor reserves of £324k accrued over a number of years for rent at Community Link.	(188)
<b>Application of one off resources</b> - New Burdens Grant (£1.422m) previously allocated towards the implementation of the Care Act.	(1,422)
<b>Public Health Grant</b> The departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2015/16 is £14.2m. The Public Health grant is ring fenced and as per the Department of Health guidance, underspends have been carried forward to meet the grant conditions.	0
Use of reserves and other control measures	(2,359)
<b>Adult Social Care &amp; Public Health</b>	<b>0</b>
<b>Community Housing</b>	
The Community Housing service August 2015 position is reporting a nil variance. Any underspend or overspend is managed within the Homelessness Initiatives Reserve Fund.	
<b>Temporary Accommodation</b> - There is a net overspend of £83k on temporary accommodation, this is made up of a £184k overspend resulting from the loss of 100 units in the Private Sector Leased portfolio and Private Leased Annexe portfolio and £31k overspend on repairs budget due to the introduction of a new contract. However, there is a (£376k) underspend in nightly paid accommodation because the continuing inter-borough agreement has produced an average 4.8% unit cost reduction in price. Tactically it is more cost effective to make block bookings in advance, to preserve the accommodation at the agreed nightly rates. The cost of these reserved bookings is £276k and the increase in usage of out of hours accommodation is £99k, this area is not budgeted for and is currently under review . There is an overachievement of (£31k), generated from refunds collected by the cash deposit recovery officer and a further underspend of (£100k) due to reduced costs relating to prevention work.	83
<b>Empty property Strategy</b> - Alternative funding has been secured for Empty Property works from external grant carried forward and New Homes Bonus grant. This has resulted in a projected underspend of £295k.	(295)
<b>Transfer back to reserve to fund initiatives.</b> The reserve opening balance at 1 April 2015 is £2.234m, £2.1m will be utilised to fund PSL and PLA incentives, £120k will be utilised to support extra capacity in the grants team, leaving a closing balance of £226k after this contribution of £212k.	212
<b>Community Housing Total</b>	<b>0</b>
<b>Housing, Health &amp; Adult Social Care Total</b>	<b>0</b>

## Appendix A5

<b>Children's Services</b>	<b>Budget Variation August 2015 (£'000)</b>
<b>Asset Management</b> Projected overspend as some strategic staff expenditure cannot be capitalised.	138
<b>Catering.</b> An underspend of £55k is projected based on current meal numbers although this may change with the new intake from September.	(55)
<b>School Enhanced Pensions</b> An underspend of £75k is projected assuming the current monthly payments continue until year-end.	(75)
<b>Educational Psychologists.</b> An overspend in the region of £100k is anticipated as delays in restructuring the service have resulted in underachievement of the 2014/15 savings target of £350k.	100
<b>SEN Transport.</b> An overspend of £800k is projected based on current information from Environmental Services.	800
<b>Education Welfare.</b> Savings are projected in the Employee budget due to long term sickness, maternity leave and vacancies.	(94)
<b>Children &amp; Family Integrated Commissioning Service.</b> Overspend due to interim agency costs and honorarium payments.	77
<b>External Residential Child Care Placements.</b> The external residential homes and agency fostering budget are now showing a net underpend of £140k. It should be noted that these projections are only based on current and planned placements so future new placements will cause the overspend to increase in the coming months. In the 12 months to April 2015 there has been a net increase of 50, or 16%, in Looked After Children and the numbers are expected to remain around the 350 level. Within the external agency fostering budget there is an overspend of £221k due to a larger than expected increase in adolescent children coming into care who cannot be accommodated by our in house fostering service due to their complex needs. This projection has reduced this month as a number of clients are now planned to be in care for shorter periods than previously projected. The Education / SEN placements are also reporting a £294k overspend. These are partially offset by a £328k underspend within the community homes sector and a £228k underspend in Secure Remand.	(140)
<b>Children In Need - Social Work Teams.</b> The increasing demand for front line social work services requires these teams to maintain their full staffing establishment to provide a safe service, resulting in non-achievement of the £237k vacancy factor within the staffing budget. A number of key vacant posts need to be covered temporarily by experienced agency staff due to maternity leave, secondments and to provide support to newly qualified less experienced social workers recently recruited to join the teams as permanent staff. Additional agency staff are also employed to cope with the significant rise in Contacts, Referrals, Child Protection Investigations and Registrations and LAC, which started last Autumn and currently shows no sign of permanently reducing. There are also additional costs arising from the interim management within Children's Division this month and an increase in the agency costs for the Family Support Team. The service will aim to reduce the overspend by reviewing cases that can be managed by our universal services and ensuring newly qualified staff are provided with sufficient support and management.	524
<b>Prevention of Care - Section 17.</b> The budget is overspending due to the demand for residence orders, rents & deposits for families in need. The projection has been based on the recent average monthly spend and actuals to date. An agreed contribution of £100k from the Emergency Support Scheme budget as in previous years has reduced this overspend.	117
<b>Assessment &amp; Intervention Team.</b> Following a successful restructure the team is now fully staffed which means that the vacancy factor of £38k is unlikely to be achieved. There are also some PRP costs which currently cannot be contained within the budget and higher than estimated costs arising from a recharge for a clinical psychologist post, which account for the remaining variances.	66
<b>In House Fostering Allowances.</b> The projected allowances have increased by £15k this month mainly as a result of an increase in the number of SGO assessments this month.	137
<b>Adoption Allowances</b> This budget is overspending mainly due to an increase in the number of special guardianship allowances becoming payable and projected lower income from inter agency fees..	228
<b>Leaving Care - Client Costs.</b> The Leaving Care client costs budget is currently projecting an overspend of £1,061k. This is partially due to a 21% increase in the number of clients since June 2013 with no corresponding budget increase. 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. The overspend has increased this month due to 1 new client placement and increased costs on existing clients due to their complex needs.	1,061

## Appendix A5

<b>Children's Services</b>	<b>Budget Variation August 2015 (£'000)</b>
<b>Unaccompanied Asylum Seeking Children.</b> This budget is now supporting an additional 375 UASC client weeks above the original budget. The increase is due to 7 new clients since last month, but 6 of these are only short stays. Grant income has also decreased due to an age adjustment. 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.	198
<b>Former Unaccompanied Asylum Seeking Children 18+</b> The shortage of suitable accommodation for this client group has resulted in costlier provision. As the actual client numbers are now above the 25 fte threshold, so grant funding of up to £90k will be claimable this year and is reflected in the forecast.	496
<b>Other Minor Variations</b>	(57)
<b>Children's Services Total</b>	<b>3,521</b>

Appendix A6

<b>Schools Budget</b>	<b>Budget Variation August 2015 (£'000)</b>
<b>Schools Budgets - These variations do not form part of the General Fund position.</b>	
<b>Behaviour Support</b> An underspend of £107k is projected by Primary B.S. as a result of staff vacancies which in some cases will now not be filled until January.	(107)
<b>Special Education Needs-</b> Overspends of £179k for L.A. Special Day and £353k for Independent Day are reduced by an underspend of £194k for Independent Residential and £12k for mainstream tuition.	326
<b>Central Licences</b> Overspend as a result of licence costs being far greater than de-delegated budget and will be reviewed as part of 2015/16 budget process.	107
<b>Schools Contingency-</b> A contingency provision was set aside in the 2015/16 budget to offset anticipated pressures, mainly in the SEN service. Based on current projections a drawdown of £336k would be needed from contingency to achieve an overall balanced position.	(315)
<b>Other minor Variations</b>	(11)
<b>Schools Total</b>	<b>0</b>

## Treasury Management Cashflow Investments &amp; Borrowing as at 31st August 2015

The Treasury Management position as at **31st August 2015** is set out below:

	31st March 2015 £000's	30th June 2015 £000's	31st July 2015 £000's	31st August 2015 £000's
Long term borrowing	272,532	272,532	293,532	306,532
Short-term borrowing	40,500	17,000	17,000	17,000
<b>Total borrowing</b>	<b>313,032</b>	<b>289,532</b>	<b>310,532</b>	<b>323,532</b>
Total investments	58,370	19,315	37,540	48,980
<b>Net debt</b>	<b>254,662</b>	<b>270,217</b>	<b>272,992</b>	<b>274,552</b>

## Movement in debt over year:

	1 <sup>st</sup> April 2015 £000's	Debt repaid £000's	New debt £000's	31st Aug 2015 £000's
PWLB	230,031	0	10,000	240,031
Commercial loan	30,000	0	0	30,000
Gloucester CC	10,000	0	0	10,000
Salix	2,501	0	0	2,501
Temporary borrowing	40,500	(32,500)	9,000	17,000
LT Borrowing Local Authorities			8,000	8,000
LT Borrowing from LEEF			6,000	6,000
EIB LT Borrowing			10,000	10,000
<b>Total borrowing</b>	<b>313,032</b>	<b>(32,500)</b>	<b>43,000</b>	<b>323,532</b>

## London Borough of Enfield Investments at 31st August 2015

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
<b>Call Accounts</b>	£					
HSBC	9,480,000		On demand	0.40%	1	AA-
Handelsbanken	15,000,000		On demand	0.50%	1	AA-
<b>Money Market Funds</b>						
Ignis	9,000,000		On demand	0.48%	1	AAAm*
Goldman Sachs	8,000,000		On demand	0.43%	1	AAAm*
HSBC					1	AAAm*
<b>Termed Deposits</b>						
Lloyds Bank PLC	7,500,000	06/05/2015	05/05/2016	1.00%	251	A
<b>Total - Investments</b>	<b>48,980,000</b>		<b>Average</b>	<b>0.54%</b>	<b>251</b>	
Number of Investments	5					

## London Borough of Enfield Short Term loans at 31st August 2015

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Wokingham BC	£3,000,000	11/08/2015	19/07/2016	0.50%	323
North Yorks CC	£5,000,000	01/12/2014	30/11/2015	0.70%	91
NW Leicestershire DC	£2,000,000	26/06/2015	24/06/2016	0.50%	298
Tyne & Wear Transport	£2,000,000	03/06/2015	01/06/2016	0.50%	275
Sedemoor DC	£5,000,000	04/06/2015	02/06/2016	0.50%	276
<b>Total</b>	<b>£17,000,000</b>		<b>Average</b>	<b>0.54%</b>	



## 2015/16 Budget &amp; Medium Term Financial Plan (£'000)

## Appendix C

## Departmental Red &amp; Amber Savings - August 2015 (Excluding Enfield 2017)

Ref No.	Proposal Summary (from template)	Risk	Total 2015/16	Remarks
<b>Red Savings</b>			<b>£000's</b>	
<b>Health, Housing &amp; Adult Social Care</b>				
HHASC 15/16 S3	Reduction in unit costs - care purchasing	Red	(1,200)	HHASC 15/16 S3 & S4 being met through EY savings proposal S02. Current projected saving for 15/16 is £1,280k.
HHASC 15/16 S4	Care purchasing reduction through market management	Red	(2,000)	
HHASC 15/16 S8	Voluntary Sector Contracts	Red	(360)	Notice still needs to be given to VCS organisations re: funding reductions. Until this happens no progress can be made on this saving.
<b>Enfield 2017</b>				
E2017	Implementation of the E2017 Transformation	Red	(7,100)	This sum will reduce as the savings from this major transformation project come on-line. In 2015-16 any shortfall from implementation delays will be met from a contribution from reserves and fully achieved in 2016/17.
<b>Total Red Savings</b>			<b>(10,660)</b>	
<b>Amber Savings</b>				
<b>Housing, Health &amp; Adult Social Care</b>				
HHASC 15/16 S1	Brokerage Redesign	Amber	(800)	HHASC 15/16 S1 & S2 being met through EY savings proposal S01. Current projected saving for 15/16 is £420k.
HHASC 15/16 S2	Demand Management - Dementia	Amber	(50)	
HHASC 15/16 S6	Personalisation of Transport services	Amber	(100)	Latest projected saving is £31k. Work is ongoing.
HHASC 15/16 S7	Residential Price improvement	Amber	(500)	Estimated savings achievable in 15/16.
HHASC 15/16 TA	Temporary Accommodation mitigation	Amber	(5,000)	On-going mitigation work being carried out looking at cost avoidance schemes which will manage both service demand and costs of all forms of temporary accommodation. There is a risk around the inter-borough agreement (for Nightly paid accommodation), it is under severe stress as a result of the West London DPS negotiations to protect Enfield is underway. There is another risk due to the likely removal of the £539k Homelessness prevention grant by the government.
<b>Finance, Resources &amp; Customer Services</b>				
FRCS 25-1 (2)	Culture and Arts development at Forty Hall	Amber	(56)	Arts & Culture restructure is still in the process of being implemented
<b>Schools &amp; Children's Services</b>				
SCS 15/16 S5	Commissioning and Community Engagement	Amber	(120)	Service currently reporting an overspend of £62k due to agency cover
SCS 15/16 S8	Early Years - Play Service	Amber	(172)	Restructure has been delayed but alternative savings are being sought from within the EY budget
<b>Total Amber Savings</b>			<b>(6,798)</b>	
<b>Total Red / Amber Savings</b>			<b>(17,458)</b>	