

MUNICIPAL YEAR 2015/16 REPORT NO: 193

MEETING TITLE AND DATE:

Cabinet: 15th March 2016

Report Of:

Director of Finance, Resources and Customer Services

Contact:

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AGENDA PART 1

ITEM 6

**Subject: Revenue Monitoring Report
2015/16: January 2016**

Wards: All

Councillors 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 January 2016. The report forecasts a balanced position for 2015/16. This figure takes account of the mitigation of the Enfield 2017 savings shortfall of £5.5m that will be met from reserves in 2015/16. The full year saving will be achieved in 2016/17. Further contributions of £5.8m are forecast from reserves to address 2015/16 departmental overspends as set out in table 2. Officers are currently undertaking a review of these pressures and the risks they may present in 2016/17.
- 1.2 Corporate Management Board is working with Departmental Management Teams and Finance Officers to identify in year savings that will reduce the current forecast contribution from reserves in the final outturn.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the balanced outturn which has been achieved by the use of one-off earmarked reserves and in-year savings.
- 2.2 Agrees that departments reporting pressures take management action to remain within budget in 2015/16 and minimise the use of reserves.
- 2.3 Notes the proposed budget changes summarised in Table 2 to address the overspend by the planned use of Reserves and Corporate Contingency.
- 2.4 Delegate to the Cabinet Member for Finance and Efficiency the ongoing review of the 2016/17 budget to ensure that timely action is taken if the pressures in 2016/17 continue to increase.

3. BACKGROUND

- 3.1 The Council's revenue expenditure against budget is monitored through regular 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. Over the last few months officers have managed the previously projected overspend down through a series of cost cutting initiatives. Explicit monitoring of temporary staffing, increased controls over office expenditure and detailed Budget Challenge meetings have all contributed to an improved outturn position.
- 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		
		Nov	Dec	Jan
Income and expenditure position	• Year-end forecast variances in relation to General Fund budgets are being met by the use of one-off reserves and in year savings in order to achieve a balanced position.	Amber	Amber	Amber
	• Budget profiling across all departmental budgets will continue to be applied in order to reflect predicted net spending patterns.	Amber	Amber	Amber
	• The HRA is projecting an underspend of £1.0m 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.	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.	Green	Green	Green
	• Interest receipts forecast for the year are on target with budget.	Green	Green	Green

4. January 2016 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

January 2016 Department	Net Controllable Budget					
	Original Budget £000s	Approved Changes £000s	Reserves £000s	Latest Budget £000s	Projected Outturn £000s	January Variation £000s
Chief Executive	3,372	1,279		4,651	3,942	(709)
Regeneration & Environment	28,796	(2,495)		26,301	25,811	(490)
Finance, Resources & Customer Services	44,365	12,408	1,241	58,014	58,014	0
Health, Housing and Adult Social Care	91,276	(5,921)	2,728	88,083	88,083	0
Children's Services	49,045	(2,935)	2,072	48,182	50,847	2,665
Enfield 2017	(15,100)	9,600	5,500	0	0	(0)
In Year Savings	0	1,712	(246)	1,466	0	(1,466)
Contribution from reserves	0	(246)	(11,295)	(11,541)	(11,541)	0
Total Department Budgets	201,754	13,402	0	215,156	215,156	(0)
Collection Fund	(2,825)	0		(2,825)	(2,825)	0
Corporate Items	36,419	(7,095)		29,324	29,324	0
Government Funding	(134,431)	(6,307)		(140,738)	(140,738)	0
Council Tax Requirement	100,917	0	0	100,917	100,917	(0)

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & PROJECTED SAVINGS

5.1 Chief Executive's Department (Appendix A1)

The department is currently projecting an over recovery of income against budget of £709k relating to the Matrix Agency rebate and Schools buyback service for 2015/16.

5.2 Regeneration & Environment (Appendix A2)

The department is currently projecting a favourable variance of £490k; explanations for variances over £50k are detailed in Appendix A2:

5.3 Finance, Resources & Customer Services (Appendix A3)

Finance, Resources and Customer Services are projecting a level spend position in 2015/16. Although there is an additional budget pressure of £1.201m due to Serco contract volumetrics and the delayed data centre move, any overspend will be addressed through the use of one off earmarked reserves. (More detail can be found in Appendix A3).

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

Adult Social Care

The Adult Social Care department is currently forecasting a projected budget overspend of £3.083m. This will be addressed through a contribution from HHASC earmarked reserves and through other control measures in order to achieve the reported balanced position at year end. The main forecast pressures are in Learning Disabilities (£1.9m), Older People (£1.83m) and Physical Disabilities (£0.34m). These figures include the allocation of 2015/16 Better Care Fund monies.

Community Housing

There is currently a projected nil variance for 2015/16. This figure includes a transfer back to the initiatives reserve of £355k. However, this area of spend remains volatile and the underlying pressure due to the increased volume of homelessness still remains. There has been a £2m net budget 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. 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 a £4.737m overspend. This is £1.16m higher than December due to an increase in SEN Transport projected spend. The departmental overspend arises due to increasing demand for Children's services, including, Leaving Care Client costs (£1.297m), Children in Need Social Work Teams (£0.667m), Unaccompanied Asylum Seeking Children (UASC) and UASC aged 18+ (£0.747m), SEN Transport (£2.072m), Special Guardianship & Adoption Allowances (£0.142m), Residential Child Care places (£0.361m). These pressures are partially offset by savings elsewhere in the service. The SEN Transport pressure is being funded from reserves to bring the reported overspend down to £2.665m.

Despite the management action that is being undertaken to identify mitigating savings, a significant 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 £90m as at 31st January to a total of £344m 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 (£15m) 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 (£27m) is planned for December. 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 Contingency- General Fund

The Council maintains a general contingency of £1.0m. £0.85m of this contingency had been utilised for the funding of expenditure relating to No Recourse to Public Funds costs agreed by Cabinet in 2014-15. The balance of £0.15m is currently unutilised.

7. Housing Revenue Account (HRA) – Projected underspend of £1.0m

The HRA projection for January is an underspend of £1m. A predicted 2015/16 underspend on repairs of £1.750m will be partially offset by one-off expenditure which needs to be paid out of the HRA this financial year.

An analysis of day to day repairs information based on nine months' data reveals that the cost per repair has reduced as a result of the new contracts. The saving attributed is estimated to be £750k, and may be ongoing into future years. The rest of the underspend arises through a combination of past years' commitments being finalised at a lower cost than estimated (£500k) and reduced costs of the planned maintenance programme (£500k).

This year, however, there is a requirement to fund up-front costs of feasibility work which will allow the Council to accelerate the future Estate Renewal Programme and build more housing. In the longer term, once new schemes have been identified, there is an expectation that the cost of feasibility work will be taken into account in determining financial viability such that the programme is delivered on a cost neutral basis and the upfront costs repaid.

The costs of implementing Enfield 2017 will also be partly funded from the HRA (for example, the staffing of the Enfield 2017 team, service reviews and redundancy costs).

Together, these two items of one-off expenditure will amount to £750k, and therefore the budgetary position of the HRA remains neutral.

Any identified underspends which are deemed to be ongoing continue to be removed from managers' budgets in order to assist in addressing the impact of the Government's new social rent policy. The target to find £1.5m savings in total in 2015/16 has now been achieved, but work is ongoing to identify further savings where possible.

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 £28.6m of savings (91%) are classified as Blue or Green (on course for full achievement), whilst the remaining £2.95m are Amber. Appendix C provides supporting information for the Amber savings. The overall savings position in terms of traffic light classifications is set out below:

Table 4: New Savings Monitor - Summary Position January 2016

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%	0	0%	(1,003)	85%	(180)	15%	(1,183)
Housing, Health & Adult Social Care *	0	0%	(2,950)	27%	(7,810)	73%	0	0%	(10,760)
Schools & Children's Services	0	0%	0	0%	0	0%	(1,590)	100%	(1,590)
Corporate	0	0%	0	0%	(1,060)	100%	0	0%	(1,060)
Enfield 2017	0	0%	0	0%	(15,100)	100%	0	0%	(15,100)
Total New Savings for 2015/16	0	0%	(2,950)	9%	(26,867)	85%	(1,770)	6%	(31,587)

*managed by the use of one-off departmental reserves

9. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

10. REASONS FOR RECOMMENDATIONS

10.1 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 and the overspend on Children's Services and IT. The Council's reserves are sufficient to meet current forecast pressures and risks as set out in the 2016/17 Budget Report to Council but will need replenishing to provide for future new risks. Also, the Chancellor of the Exchequer has recently indicated that the public expenditure reductions in the 2015 Spending Review may not be sufficient and additional savings to unprotected departmental budgets may be required. CMB and Cabinet are therefore asked to note that in the event of in year cuts in funding there would be a need to seek additional savings from service budgets in order to protect reserves and ensure long term financial sustainability in line with external audit recommendations.

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.
- Changes to Government funding

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 and efficient use of resources.

Background Papers

None.

Appendix A1

Chief Executive	Budget Variation January 2016 (£'000)
The department is currently projecting an over recovery of income against budget of £545k relating to the Matrix Agency rebate for 2015/16.	(545)
Overachievement of income on the Schools Buyback service and underspends within Human Resources Management.	(164)
Chief Executive Total	(709)

Appendix A2

Regeneration & Environment	Budget Variation January 2016 (£'000)
Overspend in Street Lighting is forecast as a result of festive lighting costs.	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.	(113)
Efficiencies identified following on-going project to review services across the department.	(177)
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.	(411)
Underspend due to Architectural Services fees generated from construction, maintenance, Housing, Schools and other projects	(115)
Pest Control Income overachievement.	(71)
Additional income generated from the successful marketing of the trade waste service and additional income from parks leases.	(369)
Overspend in the waste modernisation contracts (Dry and Organic Waste Recycling) as a result of the market price for recyclable materials and current levels of contamination in waste collected	453
Underspend in the Corporate Health and Safety Team - due to underspend in salaries, contract costs and additional income received from undertaking Asbestos Surveys in Housing Gateway Limited properties	(68)
Underspend in the PCSO contract.	(188)
Efficiencies identified following an on-going service reviews in the Planning, Highway and Transportation division	(70)
Overspend in People Transport Service – this is due to the underachievement of income from Ancillary Services	273
Other Variations: Other minor variances	206
Regeneration & Environment Total	(490)

Appendix A3

Finance, Resources & Customer Services	Budget Variation January 2016 (£'000)
Information & Comm. Technology (ICT) - £1.2m overspend from delayed migration to cloud infrastructure and increased volumetrics cost. £50k overspend due to PWC audit. £400k overspend on MFDs due to historic income targets and insufficient budget.	1,601
Legal & Corporate Governance Services - Legal agency costs & citizenship grant reduced.	30
Property Services - There is a shortfall on strategic property services, mainly in underachievement of rental income from the Palace Gardens Development. This has been more than offset by additional rental income from the Civic Centre and Ordnance Unity Hub.	(227)
Customer Services, Revenues & Exchequer Services	(143)
Other Items	(20)
Use of reserves and other control measures	(1,241)
Finance, Resources & Customer Services Total	0

Health, Housing and Adult Social Care	Budget Variation January 2016 (£'000)
Key assumptions within the forecast are based on projected activity and year to year trends. 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. It should also be noted that the use of one-off resources to achieve a balanced budget in 2015/16 does mean that budget pressures remain for future years due to demographic pressures, provider cost pressures and a growing demand for social care services.	
Strategy & Resources - The service is projecting an overspend from an increase in Deprivation of Liberty (DoLS) applications (+£247k) and Voluntary Community Sector (+£123k). This is partly offset through Housing Related Support contracts (-£100k), due to the early achievement of future year savings.	275
Mental Health - The service is currently projecting an overspend for the year on care packages.	287
Learning Disabilities - 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 .	1,874
Older People and Physical Disabilities (the Customer Pathway) - The service is projecting care purchasing overspends against a net budget of £34m. This position is consistent with last year's care purchasing overspend.	2,168
Independence & Wellbeing Services - The projected underspend is due to additional client income.	(99)
Application of one off resources - New Burdens Grant (£1.422m) previously allocated towards the implementation of the Care Act.	(1,422)
Public Health Grant	
The departmental forecast also includes ring fenced Public Health Grant.	
Public Health grant allocated in 2015/16 is now £15.67m, this reflects a reduction in grant of £1.034m but also an additional grant allocation of £2.447m for 0 to 5 year olds. The Public Health grant is ring fenced and as per the Department of Health guidance.	0
Use of reserves and other control measures.	(3,083)
Adult Social Care & Public Health	0
Community Housing	
The Community Housing service January 2016 position is reporting a nil variance. Any underspend or overspend is managed within the Homelessness Initiatives Reserve Fund.	
Temporary Accommodation - There is a net underspend of (£60k) on temporary accommodation. This is made of a £191k overspend resulting from the loss of 125 units in the Private Sector Leased portfolio and Private Leased Annexe portfolio and £55k overspend on repairs budget due to the introduction of a new contract. However, there is a (£508k) underspend in nightly paid accommodation because the continuing inter-borough agreement has produced an average 5.02% 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 £163k and the increase in usage of out of hours accommodation is £78k, this area is not budgeted for and is currently under review . There is an overachievement of (£40k), generated from refunds collected by the cash deposit recovery officer. The area of provision for tenant debt has also been reviewed and an underspend of (£42k) is projected due to the reduction in PSL numbers and an £226k projected overspend mainly due to increase in NPA current tenant arrears.	(60)
Empty property Strategy - 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)
Transfer back to reserve to fund initiatives. The reserve opening balance at 1 April 2015 is £2.234m, £1.222m will be utilised to fund PSL and PLA incentives, £68k will be utilised to support extra capacity in the grants team and L&D staff member , £78k to fund Out of hours costs, £400k to fund DHP expenditure and £58k to fund further work by RMG leaving a closing balance of £620k after this contribution of £212k.	355
Community Housing Total	0
Housing, Health & Adult Social Care Total	0

Children's Services	Budget Variation January 2016 (£'000)
Asset Management The latest estimated eligible recharge to capital expenditure for this team has resulted in an increase of non-capitalised staff expenditure this month.	91
School Enhanced Pensions. The projection assumes that the current monthly payments continue until year-end resulting in an underspend of £77k.	(77)
SEN Services This underspend is reflective of staff vacancies expected until year end.	(147)
SEN Transport An overspend of £2,072k is projected based on current information from Environmental Services. Work is ongoing to reduce this projected overspend.	2,072
Education Welfare. An underspend is projected in the employee budget due to long term sickness, further maternity leave and vacancies. The increasing underspend is as a result of a delay in recruiting 2 Senior E.W.Os.	(80)
Unallocated Department Wide Budgets - This budget includes previous years' MTFP savings not yet achieved relating to previous years management reviews and the reduced loss of joint venture income.	152
E.A.S.S. Music An underspend of £108k is anticipated as a result of staff vacancy and additional grant funding.	(108)
External Residential Child Care Placements The external residential homes and agency fostering budgets are now showing a net overspend of £361k, which is an increase of £110k on last month's projection. It should be noted that these projections are only based current and planned placements so future unknown placement changes will cause the over spend to increase or decrease in the coming months. Within the external agency fostering budget there is an overspend of £338k 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. An increase of £9.6k from last month. The Education / SEN placements are also reporting a £9.3k increase this month. Total £172k overspend. The Community Homes sector has seen a significant swing since last month, £86k and is now reporting a £56k overspend. These overspends are partly offset by current underspends within the Secure Welfare (-£38k), and Secure Remand (-£161K). The £110k increase is due to new placements and extensions to existing placements within the Community Homes, Agency Fostering, Secure Remand and budgets.	361
Assistant Director - Children's Division Underspends have been identified within the indirect salary budgets and running cost budgets held by the Assistant Director. This underspend has reduced this month due to increased settlements and disbursements expenses.	(59)
Children In Need - Social Work Teams The ongoing demand for front line social work services requires these teams to maintain their full staffing establishment to provide a safe service. 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. As the teams are fully staffed this results in a non-achievement of the £237k vacancy factor within the staffing budget. The remaining overspend results from a decision taken earlier in the year to approve additional agency staff to cope with the significant rise in Contacts, Referrals, Child Protection Investigations and Registrations and LAC. These additional agency staff has now been ceased and improved recruitment timescales are helping to control costs. Despite a number of management decisions regarding agency staff cover there is still an increase this month of £97k on the reported DMT figure. The service will continue to seek options 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.	667
Assessment & Intervention Team.	64
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.	
In House Fostering Allowances. The in house service is supporting an additional 272 weeks of placements above the budget, which would have gone into more expensive agency foster placements. The projection for allowances has increased by £16k this month as a result of 2 new placements, 3 extended placements which has been partly offset by increased income of £6.6k for consortium placement.	233
Adoption Allowances 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. The service is also using £52k of the Adoption Reform grant to reduce this overspend. In January, the overspend has reduced by £4k because of delays in 2 adoption cases.	142
Leaving Care - Client Costs The Leaving Care client costs budget is currently projecting an overspend of £1,297k. This is partially due to an increase in the number of clients staying put within the Leaving Care service with no corresponding budget increase and the numbers of adolescents becoming LAC now turning 17. 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 2 new client placements, increased costs on existing clients due to their complex needs and providers not accepting LHA.	1,297
Unaccompanied Asylum Seeking Children This budget is now supporting an additional 744 UASC client weeks above the original budget. During January there has been a net increase of 6 new clients. The budget is under pressure as 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.	233

Children's Services	Budget Variation January 2016 (£'000)
Former Unaccompanied Asylum Seeking Children 18+ We are currently providing 1,601 weeks of care and support to former UASC clients now 18 and over who acquired leaving care rights whilst under 18. The shortage of suitable accommodation for this client group has resulted in more expensive placements and we have more clients than allowed for in the original 2015/16 budget. As the actual client numbers are now above the 25 fee threshold some grant funding is now available. These clients are now subject to validation checks by the Home Office and some currently supported are still in the verification process. This could result in a further loss of grant income if they are confirmed as not valid by the Home Office.	514
Joint Service for Disabled Children - this service is reporting an increased underspend within its staffing and running cost budgets plus there has been a reduction in the number of children accessing commissioned services as a result of the short break grant scheme.	(274)
Youth Strategy & Support Service The main reason for the underspend is a planned spending reduction within the Special Projects and Positive Activities for Young Children budgets which are required to reduce the pressures within the overall Children's Division budget. The underspend has increased this month mainly as a result of an increased income projection based on a revised service agreement.	(340)
Other Minor Variations	(107)
Use of reserves and other control measures	(2,072)
Children's Services Total	2,665

Appendix A6

Schools Budget	Budget Variation January 2016 (£'000)
Early Years There has been a significant decrease in the number of children accessing the 2yr old, & 3-4 yr old provisions according to the Spring term headcount. Investigations are underway to explain this drop off of places being taken up.	(1,547)
to the staff vacancies in both the Primary Behaviour Support service (£113k) and the Secondary Support service (£41k) and an over recovery of income from academies. This has reduced from last month as increases in college placements has been identified.	(154)
Special Education Needs- Underspend of £28k for L.A. Special Day, £130k for Speech Therapy and £95k for mainstream tuition are reduced by an overspend of £495k for Independent Residential.	242
Central Licences Overspend as a result of licence costs being far greater than delegated budget and will be reviewed as part of 2015/16 budget process.	106
Post 16 SEN An overspend of £857k is projected primarily as a result of a larger number of learners aged 19-25 applying for the Education, Health and Care Plan than originally anticipated.	857
Early Intervention Support Services - the service is unable to recruit enough experienced staff to cover 6 vacant posts and lower premises costs for rent and rates.	(87)
Other minor Variations	34
Schools Contingency- 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 total of £848k will be required.	(848)
Schools Total	(1,397)

The Treasury Management position as at 31st Jan 2016 is set out below:

	Mar-15 £000's	Jun-15 £000's	Sep-15 £000's	Dec-15 £000's	Jan-16 £000's
Long term borrowing	272,532	272,532	314,986	324,986	334,837
Short-term borrowing	40,500	17,000	19,000	39,000	53,000
Total borrowing	313,032	289,532	333,986	363,986	387,837
Total investments	58,370	19,315	46,195	30,560	43,480
Net debt	254,662	270,217	287,791	333,426	344,357
Increase in Net debt since 1April		15,555	33,129	78,764	89,695

Movement in debt over year

	1st April 2015 £000's	Debt repaid £000's	New debt £000's	31st January 2016 £000's
PWLB	230,031	(1,026)	40000	269,005
Commercial loan	30,000	0	0	30,000
Gloucester CC	10,000	0	0	10,000
Salix	2,501	(520)	0	1,981
Temporary borrowing	40,500	(37,500)	50,000	53,000
LT Borrowing Local Authorities			8,000	8,000
LT Borrowing from LEEF			6,000	6,000
EIB LT Borrowing			9,851	9,851
Total borrowing	313,032	-39,046	113,851	387,837

London Borough of Enfield Investments at 31st Jan 16

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating
Call Accounts						
HSBC Treasury Centre Call Account	2,980,000		On demand	0.40%		
Svenska Handelsbanken Call Account	15,000,000		On demand	0.50%		
Money Market Funds						
HSBC Sterling	0		On demand	0.42%		AAAm*
Goldman Sachs Sterling Liquid Reserve Fund	9,000,000		On demand	0.41%		
Ignis Liquidity Fund	9,000,000		On demand	0.50%		
Long Term Deposits						
Lloyds Bank PLC	7,500,000	06/05/2015	05/05/2016	1.00%	126	A
Total - Investments	43,480,000		Average	0.54%	126	
Number of Investments	6					

London Borough of Enfield Short Term loans at 31st Jan 2016

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Wokingham BC	£3,000,000	11/08/2015	19/07/2016	0.50%	170
NW Leicestershire DC	£2,000,000	26/06/2015	24/06/2016	0.50%	145
Tyne & Wear Transport	£2,000,000	03/06/2015	01/06/2016	0.50%	122
Sedemoor DC	£5,000,000	04/06/2015	02/06/2016	0.50%	123
Wokingham BC	£2,000,000	08/09/2015	18/08/2016	0.50%	200
Thameside MBC	£10,000,000	01/10/2015	01/04/2016	0.45%	61
South Ayrshire Council	£5,000,000	27/10/2015	25/10/2016	0.55%	268
Milton Keynes Council	£10,000,000	01/12/2015	30/11/2016	0.60%	304
Police & Crime Comm West Midlands	£5,000,000	29/01/2016	27/01/2017	0.65%	362
Chichester District Council	£2,000,000	28/01/2016	07/12/2017	0.60%	676
Islington Council	£5,000,000	28/01/2016	26/01/2017	0.65%	361
West Somerset Council	£2,000,000	15/01/2016	13/01/2017	0.56%	348
Total	£53,000,000		Average	0.55%	262

2015/16 Budget & Medium Term Financial Plan (£'000)
 Departmental Red & Amber Savings - January 2016

Appendix C

Ref No.	Proposal Summary (from template)	Risk	Total 2015/16	Remarks
Amber Savings				
Housing, Health & Adult Social Care				
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 £385k. Demand management for dementia achieved through reduced placements
HHASC 15/16 S2	Demand Management - Dementia	Amber	(50)	
HHASC 15/16 S6	Personalisation of Transport services	Amber	(100)	£120k achieved through reduction in number of routes for this year.
HHASC 15/16 S4	Care purchasing reduction through market management	Amber	(2,000)	HHASC 15/16 S3 & S4 being met through EY savings proposal S02. Activity across care purchasing managed down by 3.4% so far but offset by increased average costs of 2.8%.
Total Amber Savings			(2,950)	