

# MUNICIPAL YEAR 2016/2017 REPORT NO. 216

## MEETING TITLE AND DATE:

**Cabinet**  
**15<sup>th</sup> March 2017**

## REPORT OF:

Executive Director of Finance,  
Resources & Customer Services

**Agenda – Part: 1**

Item 6

**Subject:** Revenue Monitoring Report  
2016/17: January 2017

**Wards: ALL**

**Key Decision No: 4369**

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## 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of January 2017. The report forecasts an outturn position of £5.4m overspend for 2016/17 and the mitigating actions to bring the budget into balance.

## 2. RECOMMENDATIONS

Cabinet is recommended to note:

- 2.1 The £5.4m overspend revenue outturn projection. This position is a reduction of £0.7m from that last reported to Cabinet in December 2016.
- 2.2 That Cabinet Members will continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2016/17.
- 2.3 The mitigating actions proposed to date by Executive Directors of overspending departments as set out in Appendix A.

### **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 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, variations in this report are 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 variances of £5.4m overspend have been forecast to date in relation to General Fund net controllable expenditure. Mitigating actions have been implemented to offset identified pressures.	Amber	Amber	Amber
	• Budget profiling across all departmental budgets will continue to be applied in order to better reflect predicted net spending patterns throughout the year.	Green	Green	Green
	• The HRA is projecting a nil variance at 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	Green	Green	Green
	• The outturn projection for General Fund balances will meet the Council's Medium Term Financial Strategy target based on the use of uncommitted reserves to meet one-off overspends in 2016/17.	Green	Green	Green
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. January 2017 Monitoring – General Fund

4.1. Below is a summary of the projected outturn variances broken down between departments:

**Table 2: Forecast Projected Departmental Outturn Variances**

January 17 Department	Net Controllable Budget					
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	January Variation	December Variation
	£000s	£000s	£000s	£000s	£000s	£000s
Chief Executive	4,307	(246)	4,061	3,961	(100)	0
Regeneration & Environment	24,956	659	25,615	24,679	(936)	(872)
Finance, Resources & Customer Services	38,799	9,001	47,800	47,631	(169)	538
Health, Housing and Adult Social Care	78,003	(2,599)	75,404	79,337	3,933	3,922
Education and Children's Services	44,935	(76)	44,859	47,489	2,630	2,564
<b>Total Department Budgets</b>	<b>191,000</b>	<b>6,739</b>	<b>197,739</b>	<b>203,097</b>	<b>5,358</b>	<b>6,152</b>
Contribution from reserves	0	0	0	0		0
Collection Fund	(1,319)	0	(1,319)	(1,319)		0
Corporate Items	46,791	(6,739)	40,052	40,052		0
Government Funding	(128,557)	0	(128,557)	(128,557)		0
<b>Council Tax Requirement</b>	<b>107,915</b>	<b>0</b>	<b>107,915</b>	<b>113,273</b>	<b>5,358</b>	<b>6,152</b>

- 4.2. Each of the departments has generated a list of the variances which are contributing to the projected outturn figures. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast overspends by implementing offsetting savings measures. All Executive Directors reporting overspends have worked on mitigating actions for the current year and where pressures are ongoing these are also being worked up as part of the MTFP. This report details the mitigating actions being undertaken by each department. Details of these proposed actions can also be seen in each department's appendix.
- 4.3. Through mitigating action the position is gradually improving but without further intervention a balanced position cannot be guaranteed by the end of the year. As a result, further interventions are required, these are summarised in the table below:

<b>Overspend as at January 2017</b>	<b>5.4m</b>
Transformation capitalisation	-0.6m
Underspends in Corporate Budgets	-1.0m
Departmental Mitigating Actions	-1.3m
Use of Earmarked Reserves or balances	-2.5m
<b>Sub-total: Actions to reduce overspend</b>	<b>-5.4m</b>
<b>Forecast Outturn position 2016/17</b>	<b>0.0m</b>

- 4.4. The first item is planned to be funded from the use of new in year capital receipts which Property Services are actively working on to achieve. This is in accordance with the new flexibility where the Government will permit revenue expenditure to be treated as capital expenditure, and thus funded by capital receipts, where expenditure is "incurred on projects designed to reduce future revenue costs and/or transform service delivery".
- 4.5. Any remaining overspend at the year-end will be met from a contribution from the council's general balances, though it is intended to keep this as low as possible and which will be replenished in subsequent years.

## **5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & MITIGATING ACTIONS**

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

This department is reporting a favourable variance to budget for January.

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

There has been an increase in the favourable variance to that which was reported in December.

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

There has been a reduction in the adverse variance that is reported for this department from December. This has resulted in a projected underspend occurring for the service.

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

The adverse variance reported is similar to December's reported figure. Control measures are in place to attempt to decrease this adverse variance. A plan of mitigating actions can be seen in the appendix.

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

The variance in this department has remained constant from December. The appendix shows reasons.

**5.6 Schools Budgets (Appendix A6)**

These variations do not form part of the General Fund position but are reported for information in Appendix A6.

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

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

The Council's net debt position was £497m as at 31st January 2017, an increase of £87m since 1 April 2016. The council's net borrowing is expected to increase further due to purchases relating to Meridian Water and on lending facility the council has agreed to provide for Housing Gateway Ltd so that it can continue purchasing properties in the market.

The Monetary Policy Committee (MPC) left rates unchanged at 0.25% this month and Council Treasury consultants are forecasting that base rate will be left unchanged until late 2018. Long term interest rates are still at historical low levels which offers the council the opportunity to borrow for long term while rates are low.

The Council will continue to look to minimise the cost of borrowing, as far as possible, but the cost is expected to increase in the future due to decision on long term projects.

A summary of the 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 £0.8m of this contingency will be utilised for the funding of expenditure in Schools & Children's Services relating to No Resource to Public Funds costs as agreed by Cabinet in 2014-15.

## **7. HOUSING REVENUE ACCOUNT (HRA) – Nil Variance**

The HRA projection for January shows a neutral position. An £684k overspend on Supervision & Management is offset by underspends of £552k on Repairs, £70k on Other Management Services and £62k on Rents.

The main reasons for the overspend within Supervision and Management are preparatory work on the Civica implementation, project costs relating to the High Value Voids and Pay to Stay Schemes, (these would have been refunded by central government had the schemes gone ahead), increased legal costs which have been caused by higher charges in the processing of Right to Buy applications, the refurbishment of the Edmonton Centre and higher than anticipated employee costs caused by additional staffing requirements and the Capital Cost of Early retirement for those staff affected by Enfield 2017.

The main areas of underspend within Repairs are voids and responsive repairs, at £379k and £475k respectively; this is a continuation of the trend identified in previous reports. These are reduced by a predicted overspend on

the boiler replacement programme of £284k, due to an increased number of boilers which have reached the end of their useful lives.

The £70k underspend on Other Management Services mainly relates to vacancies in the Communal Services team.

An additional £62k of rental income will be received from Aerials and an additional shop letting.

All other HRA budgets are currently predicted to be on target.

This year, any identified underspends which are deemed to be ongoing have been removed from managers' budgets in order to assist in addressing the impact of the Government's Social Rent Policy and Housing and Planning Act requirements. The target to find £2m of ongoing savings during 2016/17 has been exceeded, with ongoing savings of £2.3m identified (the full year effects of which will be realised in 2017/18). These are in addition to the savings of £1.955m identified in 2015/16. In 2016/17, £1.504m of one-off costs have been incurred which will deliver improved services in the future.

## **8. ACHIEVEMENT OF SAVINGS**

- 8.1 The 2016/17 Budget Report included new savings and the achievement of increased income totaling £12.9m to be made in 2016/17.
- 8.2 Information on the progress in achieving the departmental savings is included in Appendix C of this report.

## **9 ALTERNATIVE OPTIONS CONSIDERED**

Not applicable to this report.

## **10. REASONS FOR RECOMMENDATIONS**

To ensure that Members are aware of the projected budgetary position, 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 EXECUTIVE DIRECTOR OF FINANCE, RESOURCES & CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **11.1 Financial Implications**

As the Section 151 Officer, the Executive Director of Finance, Resources & Customer Services is required to keep under review the financial

position of the Authority. The monthly revenue monitoring is a key part of this review process. If required, measures will be put in place to address any risks identified through the monitoring process and to contain expenditure within approved budgets. There is further work to be done to ensure a budget can be set within available resources.

### **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.
- Brexit and the 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.
- Impact of the fall in the pound on inflation and pay
- 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 considers the financial impact of changes arising from reduced funding. The projections and future pressures on the budget are viewed with due consideration of financial management and the most efficient use of resources.

**16. HEALTH AND SAFETY IMPLICATIONS**

Not applicable in this report.

**17. HR IMPLICATIONS**

Not applicable in this report.

**18. PUBLIC HEALTH IMPLICATIONS**

Not applicable in this report.

**Appendix A1**

<b>Chief Executive</b>	<b>Budget Variation January 2017 (£'000)</b>
The department is currently projecting an over recovery of income against budget of £1.6m relating to the Matrix Agency rebate for 2016/17.	(53)
Other Minor variances	(47)
<b>Chief Executive Total</b>	<b>(100)</b>

**Appendix A2**

Regeneration and Environment	<b>Budget Variation January 2017 (£'000)</b>
<b>Director &amp; Programme Office</b> - efficiencies identified following an on-going project to review services across the Regeneration and Environment department & HRA	(189)
<b>Community Safety</b> - police contract and community salaries underspend, Prevent project income and additional budget contribution from Env efficiencies to offset a loss of a grant from Home Office	(100)
<b>Corporate Health and Safety</b> - Contract and salary underspend and additional income received from undertaking asbestos surveys in HGL properties and Schools SLAs.	(90)
<b>Development Management</b> - this is a £50k variance in the Planning Applications Team, due to additional income from Planning applications, pre-application and PPA process.	(50)
<b>Street Lighting</b> - Festive Lighting Costs	50
<b>Traffic and Transportation</b> - Salary Recharge to Capital Schemes (LIP and Cycle Enfield) and additional Temporary Traffic Order income.	(130)
<b>Commercial Services</b> - Salary Underspend	(51)
<b>Cemeteries Operations</b> - Income Overachievement	(146)
<b>Waste Client</b> - £245k variance is related to the BIFFA comingled contract over spend. The over spend is due to the waste composition and contractual costs reflecting current difficult commodity and trading conditions.	245
<b>Commercial Waste</b> - this is due to salary underspend and additional income generated from the successful marketing of the commercial waste services	(138)
<b>Commercial Service (Parks)</b> - due to Parks events additional income and Parks Assets rental income overachievement	(85)
<b>Regeneration Services</b> - underspend in the revenue cost of consultancy, advertising and publications plus salary recharges to capital projects (Meridian Waters and Ponders End project).	(150)
<b>Plus Other Minor Variances</b> - Minor variances under 5k added up	(102)
<b>Regeneration and Environment Total:</b>	<b>(936)</b>

<b>Finance, Resources &amp; Customer Services</b>	<b>Budget Variation January 2017 (£'000)</b>
<b>Information &amp; Communications Technology (ICT)</b> - Overspend is due to continued revenue pressure as ICT picks up all revenue costs for new projects with no new revenue budget identified, i.e. Enfield 2017 Platform. A review of the capital programme is being undertaken to re-profile revenue pressures. This is now in a position where the overspend can be funded from capacity in the IT Investment Fund reserve.	0
<b>Legal &amp; Corporate Governance Services</b> - Overspend within this service area is due to staffing cost overspends in Legal and Corporate Governance (£100k), Income target in registrars (£107k) no longer achievable because of a change in Home Office fees, offset by underspend in Audit due to restructure (96k) and held vacant posts in Scrutiny members support (50k).	98
<b>Property Services</b> <b>Facilities Management (+£642k)</b> Variance due to shortfall in rental income of £680k , Edmonton Centre of £245k, Swan Annexe & others £120k, Community house £160k, the Ark & others £155k. In addition a rent review of Triangle House £160k, an increase in rent at St Andrews of £90k, overspend in running costs of admin buildings & Civic Centre of £320K , which is offset by underspend in salaries & over achievement in income of £345k, giving a net adverse variance of £905k. The shortfall of the Ark rental income of £128k & £135k shortfall in income from the Community house Buildings will be funded by the Capacity Building fund bringing the net variance reported to £642k. <b>Strategic Property Services (-£140k)</b> Anticipated Bund income of £300k & £40k demolition income is forecast , this is offset by an overspend in GVA contract/staffing of £60k & a shortfall income of £140k giving a net favourable variance of £140k.	502
Other Items - most notably Former Employees cost centre with an underspend of £40k.	(269)
Use of reserves and other control measures	(500)
<b>Finance, Resources &amp; Customer Services Total</b>	<b>(169)</b>

<b>Mitigating actions being taken to reduce overspend position - FRCS</b>	
<b>Property</b> - Commercial Rents: Income shortfalls being reviewed with action plan to come to CMB, e.g. Claverings - £35k; Churchfields £25k. Proposals for additional income are included in the 2017/18 budget proposals .	
<b>IT</b> - Cloud / Civic / Serco Contract: A review of the capital programme is being undertaken to see whether any re-profiling could take place to pick up any of the revenue pressures. This exercise has so far reduced the overspend from £850k to the £300k currently being reported. Further staffing and contractual changes are currently in hand, with full year effects in 2017/18.	
<b>Staffing cost overspends in Legal and Corporate Governance</b> - Legal costs across the Council are being reviewed, with a view to reducing use of more expensive external legal firms.	

#### 5.4 Health, Housing & Adult Social Care (Appendix 4)

Health, Housing and Adult Social Care	Forecast Budget Variation December 2016 (£'000)
<b>Adult Social Care</b>	
Key assumptions within the forecast are based on projected activity and year to year trends. In future years there is an increased budget pressures due to demographic pressures, provider cost pressures and a growing demand for social care services.	
<b>Strategy &amp; Resources</b> - There is a minimum of £130k of transport pressures. This is dependant on all the savings being achieved. This is offset by Service Development budgets being £120k under	16
<b>Mental Health</b> - The service is currently projecting an overspend for the year on care packages.	350
<b>Learning Disabilities</b> - The service continues to project an overspend position as a result of managing demand led services. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics and Ordinary Residence clients. Not included in the monitor are additional risks of £530k for Ordinary Residence.	2,726
<b>Older People and Physical Disabilities (the Customer Pathway)</b> - The service is projecting care purchasing overspends against a net budget of £30.4m, due to demand led services. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics	4,961
<b>Independence &amp; Wellbeing Services</b> - Client income at the two in-house residential homes is less than expected. With the provision of the new home, running costs will be reduced in the longer term.	200
<b>Public Health Grant</b> The Departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2016/17 is now £17.7m, this reflects a reduction in grant of £409k, with additional reductions of £1.3m planned over the next three years. There is a risk that demand led sexual health services could result in additional pressures. The Public Health grant is ring fenced and used as per the Department of Health guidance.	0
<b>Other control measures</b> - Use of the Better Care Fund £1.5m and the use of one off monies and further management actions.	(4,255)
<b>Adult Social Care</b>	<b>3,998</b>
<b>Housing Related Support</b> - The savings in 16/17 were £2.6m in Housing Related Support. The overspend is from Housing Related Support contracts. Savings have already been made in this area in 16/17 and the variance is as a result of delayed savings. This service will be closely monitored to ensure the achievement of future year savings.	835
<b>Homelessness and temporary accommodation</b> - There is forecast favourable variance of £0.900m for 2016/17. However, this area of spend remains volatile and the underlying pressure due to the increased volume of homelessness still remains. There has been a £1m net budget increase in 16/17 to reduce these pressures but there is 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.	(900)
<b>Housing-General Fund</b>	<b>(65)</b>
<b>Adult Social Care &amp; Public Health</b>	<b>3,933</b>

Mitigating actions being taken to reduce overspend position - HHASC	
Reducing personal budgets by target rate of 20%	
Re-provision of services no longer fit for purpose or cost effective (including reprovisions 1 & 2)	
Recommissioning the VCS to provide more integrated & outcome focused early intervention support	
Decommissioning/recommissioning preventative housing related support services	
Delivering an LATC to deliver commercially viable (what were in-house run) services	
Implementation of new supported living framework for LD services with improved quality framework and vfm (with same being developed for MH services)	
Development of new Positive Behaviour Support model in LD services to deliver improved outcomes and reduced support costs	
Development of strategic commissioning and procurement of residential/nursing services across the NCL area to reduce costs	
Ongoing review programme to target high cost placements to deliver against outcomes in different ways/reduce personal budgets)	
Development of a Personal Assistant market to provide more responsive, personalised support for people at home and improved vfm	
Further integration of services including establishment of integrated locality teams to prevent hospitalisation	
Reduction in people admitted to more expensive residential care through development of more supported living and post dementia diagnosis support services	
Further expansion of the enablement service to reduce the number of people both in community and from hospital needing ongoing support	
Additional funding available for increased DoLS applications	

## Appendix A5

Children's Services	Budget Variation January 2017 (£'000)
<b>Catering</b> The over achievement of income has increased. This is mainly due to the primary schools projecting a higher update of school meals coupled with a food rebate from suppliers.	(120)
<b>SEN Transport</b> is currently anticipating the same level of expenditure as last year. This will mean that the service will be overspent by approximately £2.1m this year.	2,167
<b>External Care Placements</b> This is an increase of £43k reported more than last month due to: • 1 extended secure order placement • 3 new parent and child foster placement	370
<b>In House Fostering Allowances</b> There is an overall overspend of £224k with an increase in allowances projected due to 6 new placements. The projected cost for sessional workers has also increased due to increased numbers of SGO assessments however this was mostly offset by a growth in income associated with consortium placements. There is a risk that this overspend could rise further, as there is no provision for any unknown future placements.	224
<b>In House Fostering Staff</b> The projected underspend has reduced by £9k due to posts previously projected as vacant until year end, now being filled with redeployed staff.	(63)
<b>Adoption Allowances</b> This service area has seen a budget growth in 2016-17 of £350k, however the service is still projecting an overspend. Since last month there is a net increase of £27k due to some placement extensions. This budget area presents a high risk of overspending further.	220
<b>Leaving Care - Client Costs</b> This budget has increased by £870k in 2016-17. The significant pressure is the change of age and the volume of children coming into care and those in remand to care by criminal courts. The change from last month is due to 3 new placements and other placement extensions for existing clients.	287
<b>Unaccompanied Asylum Seeking Children (131k)</b> The increase (effective from July 2016) in the rates paid in the Home Office grant are for legacy cases coming in from July and does not apply to retrospective clients. A national transfer protocol of UASC's has been created to enable the safe transfer of unaccompanied children from one local authority to another. Enfield was one London Borough that had more than its share of UASCs within its overall LAC population however it has now fallen below the threshold so may be required to accommodate new arrivals. <b>Former UASC 18 + (12k)</b> Increase from last month of £11k due to reduced grant income.	144
<b>Cheviots Centre, Overnight Breaks and Direct Payments</b> - vacant post being held vacant in advance of a service restructure and demand for short-term breaks being less than originally anticipated.	(54)
<b>Youth &amp; Family Support Service</b> - savings generated through reductions in the Youth strategy & Support programme, use of the Innovation grant balances and holding posts vacant.	(534)
<b>Children's Services Legal Costs</b>	434
Other Minor Variations	(445)
<b>Children's Services Total</b>	<b>2,630</b>

<b>Mitigating actions being taken to reduce overspend position - Children's Services</b>	
<b><u>Families with No Recourse to Public Funds:</u></b>	
· Enhanced assessment processes involving fraud and legal officers at an early stage.	
· More consistent application of policies and procedures	
· Better monitoring/performance management.	
· Liaise with Home Office for new resource to speed up decision-making processes.	
· Review of cohort to ensure eligibility.	
· Social worker now located in Housing Services to ensure a corporate response.	
· Better use of website to clarify expected service.	
<b><u>Looked After Children's (LAC) Placements:</u></b>	
· Resolute focus on helping families to care for their children.	
· Reshaping the offer for targeted and preventative interventions.	
· Best value through regional commissioning arrangements.	
· Opportunities for invest to save initiatives.	
· Develop services through DfE and DCLG grants.	
<b><u>Reduction in Number in Care:</u></b>	
· Further improvements in support to family in order to prevent family breakdown aimed at increasing family resilience to further reduce family breakdown.	
· The DfE funding that was just for one year has been well managed and will allow for the maintenance of this service until March 2017. This will allow more resource to be focussed on preventing family breakdown.	
· Troubled Families funding is being well targeted at the most needy families in a timely manner to reduce risk of family breakdown.	
· Reduction in UASC being accommodated. The London UASC protocol has been renegotiated and there is now a national UASC protocol and both aim for a fairer distribution of UASC. As a result no UASC arriving in Enfield will stay for more than a few weeks before being transferred to national scheme and Enfield will no longer take permanent responsibility for new arrivals in the next few months.	
· Where it is in their best interests, families are being supported to move from the borough and have a fresh start in other areas of the country. 9 families, including 24 children, have moved this year giving a potential saving of at least £0.5million per annum.	
· Consistent decision making about admissions to care.	
· Review of the accommodation service for 16/17 year olds to ensure fewer of these young people enter care by increasing family mediation services.	
<b><u>Reduction in the cost of care provision/increased efficiency in system:</u></b>	
· Improved, faster, foster carer recruitment process to increasing the quality and quantity of in house foster carers available to reduce the use of more expensive agency placements. Ernst and Young estimate that agency foster care costs £100 per week more than in house even when all hidden costs of in house are accounted for.	
· Reviewing our foster care allowances to ensure we remain competitive	
· More assessments of foster carers being undertaken by independent assessors to speed up process.	
· Restructuring of the fostering service to reduce management costs.	
· Better use of joint funding for placements with health via the complex issues panel.	
· Commissioned research into the increase in referrals.	
<b><u>Home School Travel Assistance for Eligible Children and Young People (SEN Transport) :</u></b>	
A major cross-departmental project led by Children's Services is underway to review all policies and processes related to travel assistance. Savings will be delivered as a result of the following actions:	
· Review of council travel assistance policy so that it is fully compliant with new SEND legislation and less likely to be challenged.	
· Improved consultation and engagement with parents.	
· New online access to information and application process.	
· Regular review of eligibility and mode of appropriate travel assistance.	
· Establishment of new Travel Brokerage Service for parents that offers different modes of travel assistance and no automatic assumption of directly provided transport.	
· New routing software to ensure more efficient use of resources.	
· Ensuring the most efficient, effective and economical option is used.	
· Better monitoring and improved IT system that allows individual financial tracking for each child.	
· New procurement exercise underway for external transport providers.	
· Review of terms and conditions and training for Drivers and Personal Assistants.	
· Closer working with schools to identify children capable of developing independent travel.	
· New approaches to Council provided transport e.g. communal pickup/drop off points, walking buses.	

<b>Schools Budget</b>	<b>Budget Variation January 2017 (£'000)</b>
<b>Education Services</b>	
<b>Behaviour Support:</b> The Secondary Behaviour Support service is projecting a 143k overspend. Of this £62k is due to the charges for schooling of children in hospital as this was transferred from the NHS but no budget allocated. £30k relates to the increased costs of placements and £51k is the cost of increased pupil numbers requiring college provision from Dec 16. This is offset by the £17k underspend in the Primary Sector due to vacancies.	126
<b>Unplaced pupils</b> Unplaced pupils spend increase above budget of £117k last month. This month there is a reported overspend of £48k on college places and £60k budget advances to schools for ESOL provision which has reduced the overspend by 12k to £105k. The overspend on the cost of placements is due to an increasing number of Y11 Students needing placements before the end of the financial year. Where there are underspends in this budget code, they will be pooled to this subjective code to reduce the outturn deficit.	105
<b>Early Years.</b> This service is reporting an underspend due to placements for 2 yr olds and 3&4 year olds being over estimated and take up less than anticipated. Part of this may be a result of a cut in promoting the 2 yr old placements. The forecast for February and March is as planned and no extra expenditure is forecasted. The service is not expecting any further income. However year end charges may increase to 70k with trajectory money.	(3,105)
Reduction in DSG Early Years Block. Actual 16/17 allocation reflecting numbers as at Jan 2016 census lower than estimated. Offset by lower placement costs reported above	1,911
<b>Asset Management:</b> This relates to unforeseen security maintenance at a particular site and other overheads and that cannot be capitalised.	75
<b>Special Education Needs</b>	
<b>Mainstream Tuition.</b> Significant increase in pupils since September 2016.	396
<b>LA Special Day provision:</b> Increase of 17 pupils since September 16.	632
<b>Independent Day</b> Increase of 33 new pupils (41 starters 8 leavers) this represents a 32% increase in provision since April 16 .	1,081
<b>Independent Residential.</b> There has been a 31% increase in pupils since April 16 from 24 to 35	378
<b>School Revenue Budget</b> Increase in Educ, Health & Care Plans 670 (270 Summer, 300 Autumn and estimated 100 Spring). Overspend in this area offset by reduction in nursery funding for Primary Schools (30). Saving in rates costs due to Academy Conversion an in year revaluations (530)	110
<b>Home and Hospital Service</b> - Overspend due to increased costs of service in 15-16 & 16-17. Measures are now in place to bring the cost of this service back within budget provision	160
<b>High Needs Post 16</b> Overspend caused by cost increase in high needs places and fluctuations in the volume of high needs places	659
<b>Special School Provision:</b> Overspend reflects increased number of special school places created during 2016/17.	684
<b>High Needs Contingency</b> Contingency for high needs pressures not yet utilised but is expected to be fully used during the financial year (see School Budget Risks below)	(2,086)
<b>Budgets with no/ minor variances</b>	(110)
<b>Total Variation – Schools Budget</b>	<b>1,016</b>

**Schools Budget Risks** A detailed review of the cost of SEN pupils placed in independent and other LA provision is currently being undertaken and early indications are that expenditure projections in these areas will significantly increase. N.B. There are a number of pupils waiting to be assessed (60) and although a contingency has been built into the monitoring to allow for some costs, the outcome of assessment may result in further budget overspends. An increase in Post 16 SEN is also expected based on the contracts for the 17/18 academic year that are currently being finalised.



## Treasury Management Cashflow Investments &amp; Borrowing as at 31st January 2017

The Treasury Management position as at month end:

	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Long term borrowing	362,241	362,241	430,736	429,236	428,565	429,315	449,315
Short-term borrowing	64,000	81,000	89,000	89,000	74,000	84,000	96,000
<b>Total borrowing</b>	<b>426,241</b>	<b>443,241</b>	<b>519,736</b>	<b>518,236</b>	<b>502,565</b>	<b>513,315</b>	<b>545,315</b>
Total investments	28,150	7,325	74,375	62,050	40,500	21,140	42,000
<b>Net debt</b>	<b>398,091</b>	<b>435,916</b>	<b>445,361</b>	<b>456,186</b>	<b>462,065</b>	<b>492,175</b>	<b>503,315</b>
<b>Increase in Net debt past 8 months</b>	<b>0</b>	<b>37,825</b>	<b>47,270</b>	<b>58,095</b>	<b>63,974</b>	<b>94,084</b>	<b>105,224</b>

## Movement in debt

	31-Dec-16	Debt repaid	New debt	31-Jan-17
	£000's	£000's	£000's	£000's
Long Term PWLB	374,974	0	0	374,974
Long Term Commercial Loan	30,000	0	0	30,000
Long Term Local Authority	28,000	0	0	28,000
Long Term Salix Loan	942	0	0	942
Short Term Local Authority	96,000	(12,000)	0	84,000
Long Term LEEF	5,699	(302)	0	5,397
Long Term European Investment Bank	9,700	0	0	9,700
<b>Total borrowing</b>	<b>545,315</b>	<b>(12,302)</b>	<b>0</b>	<b>533,013</b>

## London Borough of Enfield Investments

Financial Institution	Principal	Effective Maturity	Rate
<b>Call Accounts</b>			
HSBC Call Account	11,945	On demand	0.20%
Svenska Handelsbanken	6,100	On demand	0.15%
<b>Fixed Deposit Accounts</b>			
Pension Fund	0		
<b>Money Market Funds</b>			
HSBC Sterling MMF	0	On demand	0.24%
Deutsche Bank	8,000	On demand	0.24%
Goldman Sachs	1,200	On demand	0.23%
Ignis Liquidity Fund	14,100	On demand	0.29%
<b>Total - Investments</b>	<b>41,345</b>	<b>Average</b>	<b>0.23%</b>
Number of Investments	4		

## London Borough of Enfield Short Term loans

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
MILTON KEYNES COUNCIL	£10,000,000	29/11/2016	28/11/2017	0.40%	301
WEST YORKSHIRE COMBINED AUTHORITY	£10,000,000	15/04/2016	13/04/2017	0.55%	72
SEDGEMOOR DISTRICT COUNCIL	£5,000,000	02/06/2016	03/04/2017	0.60%	62
POLICE AND CRIME COMMISSION FOR WEST YORKSHIRE	£5,000,000	07/06/2016	07/04/2017	0.58%	66
WEST YORKSHIRE COMBINED AUTHORITY	£5,000,000	15/07/2016	18/04/2017	0.47%	77
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	11/07/2016	11/04/2017	0.49%	70
CHELMSFORD BOROUGH COUNCIL	£5,000,000	15/07/2016	14/07/2017	0.42%	164
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	19/07/2016	18/07/2017	0.39%	168
LONDON BOROUGH OF HILLINGDON	£10,000,000	30/08/2016	30/05/2017	0.35%	119
MILTON KEYNES COUNCIL	£5,000,000	29/11/2016	28/11/2017	0.40%	301
TAMESIDE METROPOLITAN BOROUGH COUNCIL	£5,000,000	29/11/2016	28/11/2017	0.42%	301
WANDSWORTH BOROUGH COUNCIL	£10,000,000	22/12/2016	21/12/2017	0.50%	324
WOKINGHAM BOROUGH COUNCIL	£4,000,000	01/12/2016	28/11/2017	0.40%	301
<b>Total</b>	<b>£84,000,000</b>		<b>Average</b>	<b>0.46%</b>	<b>179</b>

## Savings Monitoring 2016/17

### Summary Position - December

## Appendix C

[illegible]