

MUNICIPAL YEAR 2017/2018 REPORT NO. 136

MEETING TITLE AND DATE:

Cabinet
24th January 2018

Agenda – Part: 1

Item: No 7

Subject: Revenue Monitoring Report
2017/18: November 2017

Wards: ALL

Key Decision No: 4548

REPORT OF:

Executive Director of Finance,
Resources & Customer Services

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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 November 2017.
- 1.2 The revenue budget forecast reflects an improved outturn position of £4.0m overspend for 2017/18. This improved position is a result of a review of corporate items which has resulted in the application of corporate contingency items to specific overspends within Children's services and identification of further corporate budget items which are forecast to be available to deal with departmental overspends.

2. RECOMMENDATIONS

Cabinet is recommended to note:

- 2.1 The £4.0m overspend revenue outturn projection.
- 2.2 That Cabinet Members will continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2017/18.
- 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 Executive Management Team 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		
		Sept	Oct	Nov
Income and Expenditure position	<ul style="list-style-type: none"> Year-end variances of £4.0m overspend have been forecast to date in relation to General Fund net controllable expenditure. Departments are developing actions to mitigate the pressure to offset identified pressures. 	Amber	Amber	Amber
	<ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> The HRA is projecting a £0.197m overspend at year-end outturn against budget. 	Green	Green	Green
Balance Sheet	<ul style="list-style-type: none"> The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return. 	Green	Green	Green
	<ul style="list-style-type: none"> The 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 2017/18. 	Green	Green	Green
Cash flow	<ul style="list-style-type: none"> The Council's cash balances and cashflow forecast for the year (including borrowing) will ensure sufficient funds are available to cover planned capital and revenue commitments when they fall due. 	Green	Green	Green
	<ul style="list-style-type: none"> Interest receipts forecast for the year are on target with budget. 	Green	Green	Green

4.0 November 2017 Monitoring – General Fund

4.1 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 are working on mitigating actions for the current year and where pressures are ongoing these are also being worked up as part of the MTFP.

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

Table 2: Forecast Projected Departmental Outturn Variances

November 2017	Net Controllable Budget						
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	November variation	October variation	Change in Variation
Department	£000s	£000s	£000s	£000s	£000s	£000s	
Chief Executive	4,016	5,168	9,184	8,902	(282)	(323)	41
Regeneration & Environment	23,678	(2,649)	21,029	20,263	(766)	(768)	2
Finance, Resources & Customer Services	45,923	(1,123)	44,800	45,458	658	657	1
Health, Housing and Adult Social Care	72,133	2,849	74,982	76,241	1,259	1,194	65
Education and Children's Services	40,670	697	41,367	44,464	3,097	3,347	(250)
Total Department Budgets	186,420	4,942	191,362	195,328	3,966	4,107	(141)
Contribution from reserves	0	0	0	0			0
Corporate Items	47,673	(4,614)	43,059	41,059	(2,000)	(500)	(1,500)
Corporate Items: Enfield 2017	(5,668)	(328)	(5,996)	(3,996)	2,000	2,000	0
Government Funding	(114,256)	0	(114,256)	(114,256)			0
Council Tax Requirement	114,169	0	114,169	118,135	3,966	5,607	(1,641)

4.3 Further management actions have been identified that will improve the departmental position and aim to reduce the variance to zero.

4.4 If there is still a variance at the year-end it will need to 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 favorable of £0.282m variance to budget for November, details of which are provided in Appendix A1.

5.2. Regeneration & Environment (Appendix A2)

The department is forecasting a favorable variance of £0.766m; explanations for variances over £50k are detailed in Appendix A2. However, this has moved adversely due to increasing costs of dealing with traveler incursions.

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

FRCS are forecasting an overspend position of £0.658m in 2017/18, details of which are provided in Appendix A3.

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

The Adult Social Care position is a £0.8m over spend with key assumptions within the forecast based on projected activity and year to year trends. The monitor includes assumptions regarding the additional Social Care funding allocated by Central Government in the Spring budget pending agreement with the Clinical Commissioning Group and sign off at the Health & Well Being Board. It has notionally been applied to a mix of increased demand and price pressures, ensuring stability in

the market and reducing pressure on the NHS through supporting more people to be discharged from hospital when they are ready. Included within the forecasted overspend are savings from previous years within Care Purchasing, £2.7m and Transport £234k which are assessed as unachievable in current market conditions. Each of the Adult Social Care services have developed and are implementing recovery plans in order to mitigate the forecast overspend. In future years there is an increased budget pressures due to demographic pressures, provider cost pressures and a growing demand for social care services.

There are increasing pressures on the Housing General Fund budget and the current forecast is an over spend of £0.4m, with details provided in Appendix A4.

5.5. Children's Services (Appendix A5)

The department is forecasting a £3.1m overspend, which reflects a decrease when compared with the previous months report, this is as a result of applying corporate contingency to deal with legal costs incurred and the overspend in the No recourse to Public Funds budget. Details are provided in Appendix A5.

5.6. Corporate Items (Including Contingency & Contingent Items) General Fund

The Council maintains a general contingency of £1.0m, of which approximately 500k has been applied to SCS to cover pressures in legal costs incurred and an overspend as a result of the demand for those with No Recourse to Public Funds.

The forecast also reflects that across contingency and treasury management budgets approximately £2.0m will be available to offset the departmental overspends and to contribute to the Enfield 2017 savings target.

5.7. Schools Budgets (Appendix A6)

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

6. HOUSING REVENUE ACCOUNT (HRA) – Nil Variance

6.1 The HRA projection for November shows an overspend of £197k.

Block security (£65k) and overtime costs for Neighbourhood Managers/Officers and Caretakers (£28k) has resulted in an overspend of £93k.

The priority changes have been implemented since October and changes to the forecasts are starting to be identified. The most significant change has been the allocation of repairs between responsive and planned which has seen the budgets move from an underspend to an overspend and vice versa although the overall spending has remained at similar levels. The overall forecast is an underspend of £45k

A reduction of £30k in garage rental income due to an increase in the void rate, estimates 55% compared to an actual void rate of 61.2%. A number of shops have become void which has resulted in a reduction on expected income of £119k.

Since the tragic events at Grenfell Tower fire safety checks/works on all residential high rise blocks has taken place. The estimated costs to the HRA in 17-18 are £1.3m.

7. ACHIEVEMENT OF SAVINGS

- 7.1 The 2017/18 Budget Report included departmental new savings and the achievement of increased income totaling £11.2m to be made in 2017/18. A new risk based approach has been implemented to improve the in year monitoring of savings, where the delivery of each saving is given a risk rating from one to ten.

8. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

9. 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.

10. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE, RESOURCES & CUSTOMER SERVICES AND OTHER DEPARTMENTS

10.1 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.

10.2 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.

10.3 Property Implications

Not applicable in this report.

11. 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.

12. IMPACT ON COUNCIL PRIORITIES

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

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

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

13. QUALITIES 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.

14. 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.

15. HEALTH AND SAFETY IMPLICATIONS

Not applicable in this report.

16. HR IMPLICATIONS

Not applicable in this report.

17. PUBLIC HEALTH IMPLICATIONS

Not applicable in this report.

Chief Executive	Budget Variation Nov 2017 (£'000)
The department is currently projecting a saving of £200k achieved by controls imposed on discretionary spend.	(200)
Land charges - The income target for land charges is currently projecting a shortfall. A review of pricing is underway together with an analysis of costs associated with land searches with the aim of addressing this pressure.	141
Agency Rebate - projecting an overachievement of agency rebate income based on actuals to date, although there is a risk that this may reduce in light of the council wide aim to reduce agency staff numbers. The agency rebate mechanism is to be discontinued from 2018-19.	(163)
The department is forecasting other minor variances totalling a £60k saving	(60)
Chief Executive Total	(282)

	Appendix A2
Regeneration and Environment	Budget Variation November 2017 (£'000)
Director Of Operational Services: £87k favourable variance; due to a vacant post (Director of Operational Services).	(87)
Morson Road Depot: £110k Adverse Variance; this is mainly due to the additional cost of security guards. The additional security guards have been reduced back to normal levels; as the automated security measures are fully operational now.	110
Street Lighting: £50k adverse variance; due to the estimated cost of festive lighting.	50
Parking: £529k favourable variance; this is mainly due to the efficiencies achieved in the Parking Contract £225 (£300k Full Year Effect) + temporary increase in receipts from Parking measures introduced to control the flow of traffic across the Borough, plus other minor efficiencies.	(529)
Traffic & Transportation: £70k favourable variance; this is due to additional salary recharges to capital schemes, plus increased receipts from Temporary Traffic Orders.	(70)
Commercial Services (Parks Assets and contracts): £100k favourable variance; mainly due to income overachievements from Parks Assets and BIFFA contract efficiencies.	(100)
Commercial Services (Cemeteries Operations): £153k favourable variance; due to Cemeteries early overachievement of income for 2018/19.	(153)
Commercial Services (Commercial Waste Services): £345k favourable variance; This is due to additional income generated from the successful marketing of the commercial waste services, North London Waste Authority commercial waste disposal rebate (related to 2016/17) and bins cost efficiencies.	(345)
Commercial Services Parks: £72k favourable variance; This is mainly due to the delay in the tendering of the Whitewebbs Golf Course £100k; offset by favourable variances from Parks Events and Allotments.	72
Neighbourhood Regeneration Services: £230k favourable variance; this is mainly due to underspend in the revenue cost of consultancy, advertising and publications plus salary recharges to capital projects (MW and Ponders End Project and other schemes).	(230)
Plus Other Minor Variances: Minor variances under £50k - adding up to £71k.	(71)
Regeneration and Environment (Excluding The Traveller Incursions Pressure) Total:	(1,353)
Traveller Incursions: £587k adverse variance; budget pressure due to the Parks traveller incursion costs.	587
Regeneration and Environment (Including The Traveller Incursions Pressure) Total:	(766)

Finance, Resources & Customer Services	Budget Variation Nov 2017 (£'000)
<p>Property Services</p> <p>Facilities Management (-£257k) There is a shortfall in the rental income for Marsh House, delays in the renting out of space within the Civic Centre and further rental shortfalls across other Council properties. These are offset by underspends in salaries together with rates rebates to be received due to a revaluation of the Civic Centre and other buildings resulting in an overall saving within Facilities Management.</p> <p>Strategic Property Services (+£1,235k) This is predominantly due to the increased delays in achieving the anticipated Bund income for 2017/18. There is a further pressure due to an unachievable commercial property income target which was to be delivered following capital investment in investment properties.</p>	978
<p>Other Items - most notably a Former Employees cost centre underspend of £80k; staff vacancy savings of £81k within Corporate Governance and £105k Transformation team savings through the application of one off capital receipts funding</p>	(319)
Use of reserves and other control measures	
Finance, Resources & Customer Services Total	658
Mitigating actions being taken to reduce overspend position - FRCS	

Appendix A4

Health, Housing and Adult Social Care	November £000's
Adult Social Care	
The monitor includes £5.7m of additional Social Care funding from Central Government allocated to Enfield announced in the Spring Budget. There are unrealised savings from previous years within Care Purchasing, £2.7m and Transport £234k which adds to the pressure within the Service. 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. Following public consultation, Members decided not to proceed with the £250k savings for additional night time income	
Strategy & Resources - These Services include, transport, grants to voluntary organisations, Safe Guarding and Service Development.	0
Mental Health - The service is currently projecting an overspend for the year on care packages.	82
Learning Disabilities - 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 £1m for Ordinary Residence.	127
Older People and Physical Disabilities (the Customer Pathway) - The service is projecting care purchasing overspends due to demand led services, especially within residential. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics. Additional Better Care Fund of £4.6m is applied to this Service.	621
Client income at Bridgewood House.	0
Public Health Grant The Departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2017/18 is now £17.2m, this reflects a reduction in grant of £436k, and increased allocation to other Corporate Public Health services. There is also additional reductions of the grant of £886k planned over the next three years. There is a risk that demand led sexual health services could result in additional pressures.	0
Other control measures-	
Adult Social Care & Public Health	830

Housing-General Fund	November £000's
Homelessness and Temporary Accommodation. - 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. This however, area of spend remains volatile and the underlying pressure due to the increased volume of homelessness still remains. Given the complexity of the data and systems involved together with the volatility of this demand led budget we are undertaking additional checks at the mid year point to further validate the forecast and any pressure will be funded from the Flexible Homelessness Support grant. There is a potential risk to the current forecast and this will be clarified and further updates will be provided in the following months report.	0
Housing Related Support. - There are savings in 2017/18 of £2.0m to be achieved from Housing Related Support. The forecast overspend is as a result of delayed decommissioning and recommissioning of Housing Related Support Contracts the most significant of which is floating support, now delayed until at least May 18 due to provider withdrawal. It is anticipated that the full year effects of these savings will be achieved for 2018/19. This variance is to be partly offset by the application of the Flexible Homelessness Grant and work continues in the decommissioning/recommissioning preventative housing related support services in order to mitigate the current forecast pressure.	429
Housing-General Fund	429

Mitigating actions being taken to reduce overspend position - HHASC	
Reviewing personal budgets	
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	
Further expansion of the enablement service to reduce the number of people both in community and from hospital needing ongoing support	

Children's Services	Budget Variation Nov 2017 (£'000)
Enhanced Pensions: Projected overspend due to non achievement of £100k savings target built into 17/18 budget.	69
SEN Transport is currently anticipating an overspend of approximately £1.6m this year. Number of Clients: 760	1,600
Traded Services: £230k of the additional £500k traded service income target for 17/18 is projected not to be achieved due to contraction of school budgets.	230
External Child Care placements: The net overspend of £370k in 2016-17 was mainly due to secure welfare/ remand spend (£315k). In 2017-18, the budget is projected to be overspent by £261K due to an increase in secure remand placements, agency fostering placements, and a high cost placement in residential school for a young person with severe and complex needs. Number of Clients: 108. New-17. Left-2.	261
Adoption/SG Allowances: This area has seen a special guardianship budget growth of £60k in 2017-18 but is projecting an overspend of £508k. Allowances carried forward from previous years account for £252k of overspend with the remainder primarily due to the new SGO cases. The projection reflects the new allowance rates that apply. This budget area presents a high risk of overspending further due to insufficient funding within the budget to meet growing demand. Number of Clients Adoption: 71 New-0. Left-0. Number of Clients SGO: 171. New-0. Left-0.	508
Leaving Care - Client Costs The Leaving Care client costs budget is projecting an overspend of £353k which is a similar level to 2016-17. 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 are potentially further pressures on this budget with changes in the Children's & Social Work Act introducing increased expectations requiring all Leaving Care clients up to 25 years old being funded in future. Though there has been an increase in the numbers of clients, the average costs have been reduced to contain the overspend. Number of Clients: 245. New-0. Left-0.	353
Homeless 16-17 year olds: A reported overspend of £42k which is mostly driven by emergency sheltered accommodation for young people which is used as alternative to bringing children into care. Young people who have become estranged from their families are provided with supported accommodation until they are able to claim housing benefit. The provision is being re-tendered to ensure that it reflects needs and delivers value for money. Number of clients: 38. New referrals: 5. Closed cases: 10. In supported accommodation: 13. LAC: 1. In emergency accommodation: 2. In prison: 2 Remained at home: 20	42
Other minor variations	34
Children's Services Total	3,097

Mitigating actions being taken to reduce overspend position - Children's Services	
Families with No Recourse to Public Funds:	
- Enhanced assessment processes involving social worker, fraud and legal officers at an early stage.	
- More consistent application of policies, procedures and better monitoring/performance management.	
Where it is in their best interests, families will continue to be supported to move from the borough and have a fresh start in other areas of the country.	
Review of existing cohort underway to ensure eligibility.	
Looked After Children's [LAC] Placements:	
- Resolute focus on helping families to care for their children.	
- Strategy to increase in-house foster carers and reduce high cost external placements where possible.	
- Best value through regional commissioning arrangements.	
- Focus upon friends and family placements where possible	
- Increased focus upon Special Guardianship Orders	
Review planned in January 2018 re commissioning arrangements exploring options for cheaper costs through block booking	
Containing the rise in Care Leavers and the Number in Care:	
- Review of early help services a multi-agency family hub in operation from April 2018 further improving support services to families	
- Investment in an edge of care service from April 2018 preventing family breakdown and contain the number of teenagers coming into care.	
- Troubled Families funding is being well targeted at the most needy families in a timely manner to reduce risk of family breakdown.	
- Immigration officer co-located in the leaving care service from December 2017 to focus upon former UASC's to improve links with the Home Office and expediate plans for those who receive negative decisions.	
-	
- Consistent decision making about admissions to care through panel processes chaired by senior managers.	
- Increasing mediation services to ensure fewer young people enter care	
Reduction in the cost of care provision/increased efficiency in system:	
- 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.	
- Review of foster care allowances completed to ensure we remain competitive	
- Service fully staffed no drift or delay in assessments	
- Recruitment strategy reviewed with dedicated officer in place to drive communications and increase number of new foster carers.	
- Continued partnership funding of complex placements with health and education via the complex issues panel.	
Home School Travel Assistance (SEN Transport)	
The latest Travel Assistance Policy has been in place since 2016 and is due for a review next year. The Board that reviews applications for transport meets on a weekly basis and applies the policy judiciously. The number of referrals that are being turned down has increased, though overall the number of applicants is up.	
The Brokerage Team have worked hard at diverting eligible pupils from fleet by offering independent travel training as well as personal travel budgets. The fleet routing system has been upgraded and the number of providers has tripled since 2016. This means that there is a more competitive process for tendering routes.	
The pressure on the budget is due to the increase in eligible numbers, the complexity of need and our over-reliance on out of borough placements (See DSG: High needs Block).	
In 2016, 71 learners were being transported out of borough at an average cost of £16,600.	

Schools Budget (Dedicated Schools Grant)	Budget Variation Nov 2017 (£'000)
Behaviour Support Service - projecting an underspend due to staff vacancies in primary and secondary provision but a recruitment drive is underway and the service expects some posts to be filled for the Spring Term.	(41)
Schools Block: The forecast underspend is as a result of reduced rates liabilities for in year academy converters and reduced call upon the growth fund due to less demand for additional classes in year.	(251)
Enfield Special Schools - place funding for 30 additional places at West Lea School wef Sept 2017 and for 7 additional places at St Marys Annex (Russet House) wef Feb 2018	262
Exceptional Needs Funding - transitional support fund allocated to schools with highest losses resulting from new methodology (£400k) and estimated termly increases for additional EHCPs (£400k)	800
Mainstream Tuition - projected forecast is based on current students plus a 10% contingency for new or changed placements. Changes this month included 4 leavers, 3 starters and 2 increased placement costs.	(10)
OLA Special Schools - The projected forecast is based on current students plus 10% contingency for new or changed placements. Changes this month include 1 starter and reduced placement costs for 2 students.	485
Independent Day - The projected forecast is based on current students plus 10% contingency for new or changed placements. Changes this month reflects 7 starters and 2 leavers.	2,865
Independent Residential - The projected forecast is based on current complex care students plus a 10% contingency to allow for new or changed placements and for confirmation of health and social care contributions. Changes this month reflect 7 starters, 3 leavers and increased placement costs for some students. The estimate also reflects increased costs to Education as joint funding arrangements end when pupils become 18.	412
Therapies - OT contract - being queried with health colleagues as previously included in £693k contract price	52
Post 16 SEN Students - New arrangements are being introduced for Post 16 SEN learners to make the number of years provision consistent for all students. Negotiations are taking place with our main providers to reduce costs where possible. Overspend projected for this financial year as new arrangements become established.	49
Other minor variations	3
Total Variation – Schools Budget	4,626

Mitigating actions being taken to reduce overspend position - Schools Budget

DSG: HIGH NEEDS BLOCK

The High Needs Block of the DSG is overspent due to the lack of Enfield provision for SEND pupils. We have become over reliant on independent out of borough placements which are costly, both in terms of placement, as well as travel. We have instigated an invest to save strategy to reduce costs in both areas.

In the first instance, we are targeting pupils with Autism and Social, Emotional, Mental Health Needs.

Currently we have 23 primary aged autistic pupils who attend Kestrel House in Crouch End where the average cost of a placement is £40k-an expenditure of £920k.

Cost for this cohort in our existing primary autism provision would be £506k a **saving of £414,000**.

The average cost of transporting a pupil out of borough is £10.5k making an approximate current cost of transport to Kestrel House to be £241k (depending on routing etc).

The average cost for in borough transport is £6.2k which make the average cost of transporting these pupils in Enfield to be £142600, a **saving of £98,400**.

This is before we factor in eligibility, some due to proximity may no longer be eligible for transport assistance, as well as an ability to now instigate travel training as education is more local.

Leaways School in Hackney currently educate 35 Enfield pupils in the secondary phase with Social, Emotional, Mental Health Needs as well as Autism. The average cost of a placement is £50.4K making the total cost to Enfield of these placements £1.76m. Cost for this cohort in our existing provision would be £805k, a **saving of £955000**.

Using the average travel costs as articulated above if these pupils were in borough there would be a **saving £105,000** but as above it would also enable the LA to look at eligibility as well as travel training.

From January 2018 for pupils with SEMH and September 2018 for primary autism we should no longer be using wither Leaways or Kestrel House unless 'in extremis'. This work has already begun with 4 learners who would previously been sent to Leaways being educated in Enfield.

The current strategy for getting the High Needs block back in budget is to provide more SEND places in Enfield. In doing this our over reliance on using out of borough provision will be negated.

The table below articulates the number of SEND places being developed by the Local Authority by September 2020. As you can see there is a significant increase in the number of places in our own SEND provision which will alleviate some of the usage of out of borough provision.

<u>Current Provision</u>							
			Last year	Current Places	Sep-20 places		
SEMH	Fernhouse	Mixed		44	48	4	109%
ASD/SLD	Durants	Secondary		105	225	120	214%
MLD	Oaktree	Mixed		95	95	0	100%
ASD	Russet House	Primary		110	155	45	141%
PMLD	Waverley	Mixed		133	133	0	100%
SLD	West Lea	Mixed		138	233	95	169%
SEMH	Free School	Secondary			70	70	
ASD	Swan	Secondary (this place number is flexible)			20	20	
				625	979	354	157%

Many of these places become available over the next two years as existing provision is expanded (Durants, Russet House, Westlea) and new provision is developed and filled (SEMH freeschool).

By September 2018 in Enfield we should have an additional 21 primary autism places and an additional 20 secondary SEMH places which will start to erode the overspend in the High Needs Block