

## MUNICIPAL YEAR 2018/2019 – REPORT NO. 24

### MEETING TITLE AND DATE

Cabinet: 25th July 2018

### REPORT OF: Executive Director of Resources

Contact: Fay Hammond  
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AGENDA PART 1

ITEM: 6

**SUBJECT - REVENUE & CAPITAL  
OUTTURN 2017/18**

**Key Decision No: 4699**

**Cabinet Member consulted:  
Cllr Maguire**

## 1. EXECUTIVE SUMMARY

1.1 This report sets out the outturn position for 2017/18 for:

- General Fund Revenue account - £2.9m overspend on services, offset by savings in Corporate budgets and grants to achieve a balanced position. (Section 4.1)
- £6.7m Capital receipts were also applied in year to fund transformation expenditure. This funding is one-off and alternative funding must be identified for on-going or future projects (Section 4.7)
- Housing Revenue Fund Account (HRA) - £2m underspend for 2017/18 which has been added to HRA balances for future use (Section 5)
- Dedicated Schools Grant (DSG) funded expenditure - a deficit of £3.36m on DSG was brought into 2017/18. This deficit has reduced to around £0.7m during the year (Section 4.6)
- General Fund and HRA Capital programmes - the Council's overall Capital Programme was underspent by £40.208m due to re-profiling for changes in project timelines (Section 6)
- Collection Fund balance at year end, detailing the achievement of Council Tax and Business Rates income (Section 4.4)
- 2017/18 Savings – Section 4.2 reviews achievement of savings

1.2 The report also provides information on the Council's current level of reserves. Overall reserves have increased from £45.4m to £64.3m during 2017/18. This is due to planned contributions to risk and smoothing reserves, some of which are ring-fenced, whilst service specific reserves have reduced (Section 4.3)

## **2 RECOMMENDATIONS**

It is recommended that Cabinet:

- 2.1 Notes the General Fund, Housing Revenue Account (HRA) and DSG revenue outturn for 2017/18.
- 2.2 Notes the Capital outturn and the funding of the Council's capital expenditure for 2017/18 as set out in this report (paragraphs 6.3 & 6.4).

## **3. INTRODUCTION**

- 3.1 Enfield's 2017/18 budget required the delivery of £21.5m savings in response to a reduction in core government funding of £13.6m and inflationary, demographic and service cost pressures. Furthermore, for 2017/18, an ambitious capital programme was set to deliver the Council's regeneration and investment priorities.
- 3.2 This report sets out the overall Council General Fund and Housing Revenue Account (HRA) revenue and capital outturn position for 2017/18, with detailed service information provided in Appendices A to F (Revenue) and Appendix I (Capital). It also summarises the outturn position against the Dedicated Schools Grant (DSG) for 2017/18. The report also provides a summary of the end of year reserves and balances position, which are set out in detail in Appendix G and the balance on the collection fund. Use of capital receipts to fund transformation expenditure is summarised in Appendix H.

## **4. 2017/18 REVENUE OUTTURN POSITION**

### **4.1 GENERAL FUND OUTTURN**

- 4.1.1 The final outturn position is set out in Table 1 below. It provides a comparison between the latest budget and final outturn. Whilst the overall outturn position for 2017/18 is within budget it should be noted that there was a £2.9m adverse variance against service budgets, which was offset by favourable variances in Corporate budgets and grant income.
- 4.1.2 The revenue budget forecast position as at 31<sup>st</sup> January 2018 as reported to Cabinet in March (KD4550), projected an adverse variance of £2.3m; the outturn position represents an increase of £0.6m over this projection. In summary, increased adverse budget variances in Finance, Resources and Customer Services and Health, Housing and Adult Social Care, were partially offset by more favourable variances in Chief Executive and Schools and Children's Services.

<b>Table 1: Service Departments Revenue Outturn Position 2017/18</b>	<b>Budget £'000</b>	<b>Net Spend £'000</b>	<b>Variance £'000</b>
Chief Executive	9,076	7,614	(1,462)
Regeneration & Environment	21,472	20,349	(1,124)
Finance, Resources & Customer Services	44,493	45,482	989
Health, Housing & Adult Social Care	77,286	79,496	2,210
Schools & Children's Services	42,165	44,491	2,326
<b>Service Net Costs</b>	<b>194,492</b>	<b>197,431</b>	<b>2,939</b>
Corporate	33,933	32,836	(1,097)
<b>Net Expenditure</b>	<b>228,425</b>	<b>230,267</b>	<b>1,842</b>
<b>Expenditure financed by:</b>			
Revenue Support Grant	(34,050)	(34,050)	0
Business Rates	(73,139)	(73,139)	0
Collection Fund	297	299	2
Other non-ring-fenced Government Grants	(7,364)	(9,208)	(1,844)
Council Tax	(114,169)	(114,169)	0
<b>General Fund Corporate Financing</b>	<b>(228,425)</b>	<b>(230,267)</b>	<b>(1,842)</b>
<b>General Fund Grand Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Budgets shown in Table 1 are controllable departmental budgets excluding capital and asset impairment charges, which are not directly controlled by departments.

A more detailed explanation of significant budget variations is included in Appendices A to F and these are summarised by department below:

#### 4.1.3 Chief Executive's (Appendix A)

Chief Executive's service reported a favourable variance of £1.5m (budget of £9.076m), partly due to restrictions imposed on discretionary expenditure which achieved an in-year saving of £0.4m. A decision to fund CCTV equipment from capital resulted in a saving of £0.4m. Other favourable variances included an increase in the agency rebate and schools' traded income.

#### 4.1.4 Regeneration & Environment (Appendix B)

In 2017/18 R&E reported a favourable variance of £1.124m (budget £21.472m) and this was mainly due to favourable variances described below:

- A favourable variance in parking; due to efficiencies achieved in the Parking Contract, temporary increase in receipts from parking measures introduced to control the flow of traffic across the Borough.
- A favourable variance in Cemeteries, which is due to Cemeteries income over achievement.
- A favourable variance in Commercial Waste Services; due to Waste disposal underspend and additional income generated from a successful marketing.
- A favourable variance in Commercial Services (Parks Assets and contracts), which is mainly due to BIFFA contract efficiencies and income over achievements from Parks Assets.
- An adverse variance due to Parks traveller incursion costs.

#### **4.1.5 Finance Resources and Customer Services (Appendix C)**

Finance, Resources and Customer Services reported an adverse variation of £1m (budget £44.493m) which was predominantly due to the following:

- Delays in achieving the anticipated Bund income for 2017/18 combined with an unrealisable commercial property income target which was to be delivered following capital investment in investment properties (£0.76m).
- Additional temporary staff costs in the assessment hub needed to meet growth in demand as well as a continued shortfall against budgeted income required in the collection of court cost fees (£0.24m) and these will continue into 2018/19.
- In addition to the above it should be noted that approximately £3.4m was applied to deal with departmental pressures through the flexible use of capital receipts as detailed in paragraph 4.7 and Appendix H.

#### **4.1.6 Health, Housing and Adult Social Care (Appendix D)**

Health, Housing and Adult Social Care reported an overspend position of £2.210m (budget £77.286m). The key budget variances are set out below:

- Increasing demand for Care Packages in Older People, People with Physical Disabilities, Learning Disabilities and Mental Health resulting in adverse budget pressures in 2017/18. Substantial savings have been made in year across all services, however, demand for services continues to rise because of demographics, especially within Learning Disabilities where the demographics locally is higher than the national average. One-off costs were incurred for Bridgewood House because of the delay in opening the Home.
- General Fund Housing Services pressures in Temporary Accommodation and Housing Related Support were funded in 2017/18 through the Flexible Homelessness Support Grant. Is it planned that the grant will continue to support on-going pressures in Temporary Accommodation but the use of the grant for Housing Related Support was a one-off for 2017/18 only and therefore may potentially result in a cost pressure being brought forward into 2018/19.

#### **4.1.7 Schools and Children's Services (Appendix E)**

Schools and Children's Services reported an overspend of £2.326m (budget of £42.165m). Although this was an improvement from the latest reported position (£2.994m overspend), there remain underlying cost pressures as set out below:

- Education Services were overspent mainly due to an ongoing pressure of £1.8m in demand for SEN transport services.
- This was partially offset by an underspend in other areas resulting from in-year delays in recruitment and one-off corrections to historic goods receipting.
- Children's Services were overspent in a number of demand led services including Special Guardianship Allowances due to increased number of orders; External Child Care Placements due to secure

remand placements; agency fostering placements, and a high cost placement in a residential school for a young person with severe and complex needs.

- Other areas of overspend included additional income targets for traded services not achieved due to increased competition in the market.

#### **4.1.8 Corporate Expenses (Appendix F)**

Corporate Expenses has reported a favourable outturn position of £1.1m under budget, made up from a £5m favourable variation against the Capital Financing and Treasury Management budget; £4m adverse variation against Corporate Expenses, Reserves and Provisions and a £0.1m underspend on Levies.

The £5m underspend on the Capital Financing budget was mainly due to more favourable interest rates and our strategy to benefit from historically low short term borrowing rates. This underspend has offset a shortfall of £2m against the Enfield 2017 savings target, which was forecast and reported to Cabinet in year as part of the regular monitoring process. This shortfall is being addressed through the organisational review, which implements the outstanding actions from the Enfield 2017 programme. The first stage of the review, restructuring the top three levels, has been completed and the next stages are in progress. Full year savings will be realised in 2019/20.

The underspend position on Capital Financing also allowed us to make additional contributions to Reserves which makes up the rest of the £4m variation. This includes contributions to the Redundancy reserve, which is expected to be needed in 2019/20 to meet redundancy costs associated with the Organisational Review, and to the Risk Reserve to mitigate against unbudgeted pressures.

#### **4.2 2017/18 Savings**

4.2.1 In setting the 2017/18 budget an ambitious savings target of £21.5m was approved, comprising £13.4m of new savings and £8.1m of full year effects of previous decisions across all services. The majority of these savings were either achieved as planned in year or have been substituted via alternative mitigating actions, however a number of savings were not achieved during 2017/18 for a variety of reasons: These include service cost pressures; overly ambitious income targets; unrealistic time frames for delivery of savings; and reconsideration of council priorities.

4.2.2 Implementation of some savings proposals was delayed due to reconsideration of phasing or unforeseen complications in delivery, but work continues to ensure the savings can be achieved in 2018/19 or later years. For example an outstanding saving relating to the later phases of the Enfield 2017 programme will be delivered through the organisational review which is reviewing the council's management structure. Bund income was not achieved in 2017/18 due to delays in

planning consent but the intention is that this will be realised on a revised timescale over the medium term.

- 4.2.3 Service cost and demographic pressures have compromised the delivery of a number of savings, including SEN transport and No Recourse to Public Funds, where client numbers continued to rise.
- 4.2.4 A number of savings were predicated on what have proved, in the current economic climate, to be over-ambitious income targets. These include traded services with schools, where market conditions have become more competitive and Land Charges where there has been a decline in the housing market.
- 4.2.5 As noted some of these unachieved savings will be progressed and delivered during 2018/19, however, where these remain as pressures in 2018/19 and future years, savings targets in the MTFP have been updated to reflect these unachieved savings from prior years. Additional scrutiny and member challenge will be carried out in relation to 2019/20 budget proposals to ensure these are deliverable.

### **4.3 Earmarked Reserves (Appendix G)**

- 4.3.1 The overall level of General Fund earmarked reserves at 31<sup>st</sup> March 2018 has increased by £18.9m to £64.3m (£45.4m 31<sup>st</sup> March 2017). This consists of:
- (£0.9m) reduction in earmarked service reserves
  - £1.1m increase in risk reserves
  - £11.3m increase in smoothing reserves
  - £7.9m minimum revenue reserve ring-fenced for future capital financing requirement
  - (£0.5m) reduction in other reserves
- This excludes ring-fenced reserves such as Public Health and Dedicated Schools Grant reserves.
- 4.3.2 HRA reserves have decreased by £7.1m from £20.7m to £13.6m, this being mainly due to additional contributions towards the major works capital programme and the revenue repairs and maintenance budget. Additional funding was required for fire safety works and checks following the tragic Grenfell Tower fire.
- 4.3.3 The position on the DSG reserve has improved from the £3.4m deficit brought forward at 1<sup>st</sup> April 2017 to a £0.7m deficit at 31<sup>st</sup> March 2018, due partly to a budgeted top-slicing of the DSG to re-instate part of the overspend on the reserve and partly to a further underspend during the year.
- 4.3.4 Details of total reserves as at 31<sup>st</sup> March 2018 are set out in Appendix G. The table shows that there was a decrease of £0.9m in service specific earmarked reserves which have been drawn down to fund specific projects or to help fund unbudgeted pressures. The overall increase in reserves is due to planned contributions to corporate risk and smoothing reserves. It is critical to the financial sustainability of the

Council that the risk and smoothing reserves are sufficient to provide a buffer against the risk of further cuts to local government funding after the end of the current Spending Review period in 2020/21. This includes uncertainty around overall funding levels with the implementation of the fair funding formula, future of grants such as public health, flexible homelessness grant and new homes bonus and the government agenda to move towards council reliance on local taxation as the only funding source.

4.3.5 In addition, the general economic uncertainty, including continued austerity and potential impact of Brexit, demographic and cost pressures within the revenue budget have been highlighted in this report through the service outturn variations. Key areas of risk remain in the medium term, notably for demand led services in Adults and Children's Social care and Housing. Robust reserves will help us to manage these revenue pressures in the medium term and to counter the inherent risks associated with an ambitious capital programme.

4.3.6 Enfield council has taken advantage of the government's relaxation of the capital receipts regulations to support transformation. This flexibility is time limited and funding is dependent on availability of assets for sale and therefore, this is not financially sustainable in the long term. During 2018/19, consideration will be given to creating a transformation reserve by transferring funds from other reserves.

4.3.7 The main contributions to reserves were as follows:

- **Minimum Revenue Provision Equalisation reserve: £7.9m.** MRP is the annual provision that the Council has to set aside from revenue in order to meet borrowing costs. This reserve has been created in 2017/18 following a change in our MRP policy which resulted in a one-off reduced requirement to contribute to the provision in 2017/18. This will reverse in future years and the reserve is ring-fenced to smooth large fluctuations in requirements in one year.
- **Collection Fund Equalisation Reserve: £6m.** The Collection Fund records the Council's receipts of Council Tax and Business Rates. This reserve was created in 2017/18 in order to smooth volatility in business rates receipts mainly due to the difficulty in predicting the quantity and outcome of appeals and other changes in the tax base, which can result in large fluctuations in income. If we do not achieve the budgeted business rate growth, the reserve can be used to offset the deficit in 2019-20 or future years. This will become increasingly important as local government move to the new funding model from 2020/21 when Revenue Support Grant (RSG) is replaced by 75% retention of Business rates. For 2018/19 Enfield is participating in the London Pilot Pool which will retain 100% of business rates in place of RSG.
- **Interest Rate Equalisation Reserve £4m.** This reserve was created several years ago to smooth what can be large and sudden increases in interest rates. Due to historically low interest rates we have made additional contributions to this reserve which will be used in the medium term to offset increases in rates. It will also provide a buffer in

case of changes to the arrangements currently in place for funding major projects and borrowing by the Council's subsidiary companies.

#### 4.4 Collection Fund

4.4.1 The Collection Fund covers both council tax and business rates. The Collection Fund recorded the following performance in 2017/18:

- A total council tax surplus balance on the fund of £5.602m at 31<sup>st</sup> March 2018 (Enfield's share is 81.1%, £4.543m). The surplus is due to collection levels exceeding budgeted targets over the last two years.
- A total business rate deficit balance of £5.301m (Enfield's share is 30%, £1.590m). Non business rates growth and high requirement of provision for business rates appeals has created a deficit in this year's accounts.

Enfield's share of the Collection Fund balances is as follows:

<b>Table 2: Enfield Collection Fund Balances</b>	<b>Council Tax (81.1%) £'000</b>	<b>Business Rates (30%) £'000</b>	<b>Total £'000</b>
Final accounts balance brought forward	(2,072)	(641)	(2,713)
In Year Movement	(2,471)	2,231	(240)
<b>Balance carried forward 31 March 2018</b>	<b>(4,543)</b>	<b>1,590</b>	<b>(2,953)</b>

4.4.2 If all is equal, Enfield will recognise a deficit in the 2019/20 budget, when the 2019/20 NNDR1 is completed. However, the deficit could reduce or be eliminated if there is a net business rates growth or if there is an overestimated business rates appeals provision which can be transferred back into the collection fund when we are completing the 2019/20 NNDR1.

4.4.3 The Collection Fund Reserve was created during 2017/18 to offset such volatility (deficit) in future years. If there is no business rate growth, the reserve can be used to offset the deficit in 2019/20. Enfield is currently working with Capita to determine the first quarter forecast for business rates. If growth is forecast there will be less reliance on the reserve.

#### 4.5 General Fund Balance

4.5.1 The level of the General Fund balances at 31 March 2018 was unchanged at £14m. This level of balances excludes the amount attributable to schools' delegated budgets and is in line with the assumptions included in the Budget 2018/19 and Medium Term Financial Plan report considered by Council in February 2018.

4.5.2 School revenue balances reduced from £6.8m at 31<sup>st</sup> March 2017 to £2.5m at 31<sup>st</sup> March 2018. The large reduction reflects the number of schools in deficit plus academy conversions where the balances no longer sit with the Council. The balances retained by individual schools reflect their decisions in the use of their resources. School balances are

reported separately to other General Fund balances as they are held for specific school purposes and they are monitored in detail by the Schools Forum.

#### **4.6 Dedicated Schools Grant (DSG)**

4.6.1 The Dedicated Schools Grant for 2017/18 totalled £236.0m (after academy recoupmnt). DSG is a ring-fenced grant, the majority of which is delegated to schools, as Individual Schools' Budgets. It also funds Early Years, High Needs provision and certain central education services provided by the Council such as admissions.

4.6.2 The DSG deficit bought forward to 2017/18 totalled £3.36m. This was offset by an agreed top slice of £1.457m from the 2017/18 DSG allocation and high needs contingency of £1.65m leaving a net deficit bought forward of £0.253m. During 2017/18 there were underspends on the Schools Block (-£0.387) and Early Years Block (-£0.452) and an overspend on the High Needs Block (£1.331m) resulting in a net overspend of £492k and a cumulative deficit at 31<sup>st</sup> March 2018 of £0.741m. It should be noted that due to a reduction in pupil numbers a clawback of £1m of 2017/18 Early Years funding is expected in 2018/19, which will increase the total DSG deficit to £1.741m. This represents an overall reduction in the deficit of over £1.5m.

#### **4.7 Use of Capital Receipts (Appendix H)**

4.7.1 With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise new capital receipts in 2016/17, 2017/18 and 2018/19. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners. In the Provisional Local Government Financial Settlement of December 2017, the Government extended this flexibility for the three subsequent financial years, from 2019/20 to 2021/22.

4.7.2 Enfield has chosen to use this flexibility to fund a number of transformation projects in the last two years. £9.9m was used in 2016/17, whilst for 2017/18 £6.7m has been applied as detailed in Appendix H against transformational projects in Adult Social Care, Children's Services, IT and Procurement, with outcomes anticipated to produce future savings and/or provide improvements in service provision. It is planned to use this flexibility again in 2018/19 to fund a number of transformation projects, however in the medium to long term alternative funding would be needed to fund any further projects, as capital receipts may not be available and this flexibility will no longer be available after 2021/22.

4.7.3 The impact of using capital receipts to fund revenue transformation projects is that these receipts are not available to fund the council's

capital programme and, therefore, increase the council's borrowing requirements. On the basis of the current capital programme, if the capital receipts were to be applied to fund capital expenditure, this would have the estimated impact of reducing the annual minimum revenue provision in future years by £0.08m for each £1m of applied capital receipts. As set out in section 4.3 above, consideration is being given to the creation of a transformation reserve.

#### **4.8 Statement of Accounts**

The draft statements were certified by the Executive Director of Resources and shared with BDO (External Auditors) at the end of May, in accordance with the new statutory deadline. The final accounts are due to be presented to Audit Committee on 26<sup>th</sup> July.

#### **4.9 2018/19 and MTFP**

4.9.1 The 2017/18 outturn position will need to be considered alongside the 2018/19 budget position and Medium Term Financial Plan (MTFP). Key areas for consideration are:

- Unrealised savings pressures brought forward
- Consideration of the sustainability of capital receipts for transformation purposes
- Budget pressures across demand led services, some of which have been offset by the one-off use of grant (flexible homelessness grant)

4.9.2 In response to Northants issuing of a Section 114 notice, there is additional scrutiny on councils' financial resilience. This will form a key cornerstone to Enfield's Medium Term Financial Strategy for 2019/20 onwards.

### **5 HOUSING REVENUE ACCOUNT OUTTURN**

5.1 Since the Grenfell Tower disaster in June 2017, Enfield has been working closely with London Councils and the London Fire Brigade (LFB) to ensure minimal fire risk to the residents in the borough. This has led to fire prevention works being carried out within the repairs and neighbourhood teams.

5.2 Following the Welfare Reform and Work Bill in 2015 the council are required by law to reduce rents by 1% per annum for four years commencing in 2016/17, after this period the Government has announced that rents will increase by CPI +1%.

5.3 In 2017/18 phase 1 of the service charge review was completed. This identified savings within the Communal Services team and ensured full cost recovery of the Caretaking and CCTV service charges to tenants and leaseholders.

5.4 An overspend of £0.588m was estimated in the January 2018 monitor. The end of year position has changed to a £2m underspend due to the following reasons:

<b>Table 3: Housing Revenue Account Outturn Variances 2017/18</b>	<b>Variance £'000</b>
<p><b>Rents Dwellings</b></p> <p>Loss of income has been identified due to an increase in the number of RTB's. The budget expected 100 sales but the actual number of sales increased to 139. The reduction in income is £0.216m.</p>	216
<p><b>Non-Dwelling Rents</b></p> <p>There has been a reduction of £0.045m in garage rental income due to an increase in the void rate, estimated 55% compared to an actual void rate of 62.4%.</p> <p>A number of shops have become void which has resulted in a reduction in expected income of £0.108m. Loss of income of £0.049m from an aerial site due to block being demolished as part of the estate renewal schemes.</p>	202
<p><b>Repairs</b></p> <p>As a result of the Grenfell Tower disaster the planned repairs programme was delayed and reduced due to the additional health and safety works/checks that needed to take place. A review of spend also identified items that should be capitalised like boiler replacements, as these costs were included in the original budget this has increased the underspend position. The saving will be added to the repairs reserve for future years' contributions.</p>	(2,633)
<p><b>Supervision and Management General</b></p> <p>The main overspends were due to additional insurance costs of £0.250m for dwellings and environmental service recharges and staff costs of £0.208m in estate renewals. There were also security, communications, clearance and overtime costs of £0.153m incurred following the tragic Grenfell Tower fire to assist in fire prevention works.</p>	611
<p><b>Bad Debt provision</b></p> <p>The bad debt provision was increased in 2017/18 to account for the expected increase in level of arrears due to the introduction of Universal Credit. UC was introduced in Enfield in November and although the level of arrears has increased it hasn't been as high as expected due to a lower number of tenants that have moved to UC.</p>	(452)
<p><b>Other Items</b></p>	47
<p><b>HRA Underspend</b></p>	(2,009)
<p><b>Transfer to Reserves</b> To be used in funding future years' expenditure</p>	2,009
<p><b>Service Net Costs</b></p>	<b>0</b>

## **6. 2017/18 CAPITAL OUTTURN POSITION**

- 6.1 The Council's Capital Programme for 2017/18 to 2020/21 was agreed by Council in February 2017. The Capital Programme is monitored and reported to Cabinet on a quarterly basis. Following quarter 4 monitoring, the total capital expenditure for 2017/18 amounted to £268.3m.

The next section illustrates the results of the Council's capital spending in 2017/18, and outputs delivered by key schemes are highlighted below.

### **6.2 Outcomes / Outputs**

#### Highways and Streetscene (£6.986m)

As part of the Council's Capital Programme for Highways and Street Scene in 2017/18, 12km (7.5 miles) of carriageways were resurfaced, renewed 7km (4.5 miles) of footways, repaired approximately 18,000 highway defects such as potholes, paving trips and damaged kerbs and planted 600 street trees. The Council has installed 3 new composite footbridges (these require significantly lower maintenance than traditional forms of construction) and construction of several flood alleviation projects such as Gough Park and Prince of Wales Wetlands schemes.

#### Parks and Open Spaces (£2.014m)

£2.01m expenditure contributed to further developments made to Enfield's parks and open spaces. This includes the establishment of the new 3G Pitch at Enfield Playing Fields, spend on play equipment, and improvements to fencing and footway.

#### Transport for London: Cycle Enfield (Mini Holland) (£8.96m)

The Cycle Enfield programme involves a range of different projects. The key areas that made substantial progress in 2017/18 include works on the A105, the A1010 (South) and the Cycle Hubs (in Edmonton Green and Enfield Town). £1.4m of the total 2017/18 expenditure contributed to the further work on Quieter Neighbourhoods and Quietways, where a range of measures like lower speed limits are introduced to encourage drivers to show consideration to pedestrians.

#### Transport for London: Ponders End High Street (£1.6m)

Ponders End High Street Improvement Scheme was supported by TfL to transform a 600m section of the A1010 Hertford Road running through a local retail centre. The centrepiece of the new arrangements is a block paved treatment with courtesy crossings replacing an awkward 5-arm junction that lacked sufficient capacity to introduce pedestrian phases under the previous traffic signal control. Attractive block paving has been used along the footways to smarten the appearance of the street and new trees have been planted. A service road has been replaced with echelon parking inset into a more generous footway. Surplus lane width on the main road has been

reallocated to cycling. Scheme aims include: reducing pedestrian, cycle and driver casualties; smoothing traffic flow; providing better space and crossings for pedestrians; and changing the appearance of the street to reduce traffic dominance and reassert the road's historic high street identity.

#### Meridian Water (£105.6m)

£105.6m was spent on the Meridian Water project in 2017/18 as part of the regeneration of Upper Edmonton and Edmonton Green. £67m of this was for the purchase of key strategic site Stonehill. Other substantial expenditure was on rail infrastructure for the new Meridian Water station (£17m) and remediation works for the Willoughby Lane site in preparation for development (£9.4m).

#### Monmouth Road Green (The Crescent) (£29k)

The completed project was officially opened by Cllr Christine Hamilton, the Mayor of Enfield on 12th June 2017. This project has delivered the re-landscaping of a previously disused, grassed open space to create a calm space for residents and complements the Council-led improvements to The Crescent. The main triumph of this scheme was the participation of the community, from public consultation events and online consultation, through to St. Edmund's Catholic Primary School gardening club of undertaking planting. The project has been voted as one of the winners in the National Landscape Awards 2017 (Community and Schools Development category).

#### Edmonton Green Library (£2.4m)

Edmonton Green library reopened in October 2017 after a 'top-to-toe' refurbishment. The results matched the Council's ambitious plans to provide an unparalleled 21st century library service for residents. The library was transformed and upgraded to provide a modern and digital access centre, with several 'state of the art' computers, free wi-fi, extensive study space and self-service kiosks. There is also an array of fabulous learning resources for students and children and a dedicated local history and museum space to celebrate the area's rich history.

#### IT Investment (£9m)

As part of the £32m ICT Investment (approved in 2016/17), £9m was spent in 2017/18 on various projects aimed at improving the customer experience and improving overall efficiency. This included successful implementation of projects such Libraries Refurbishment, Customer queuing system, youth and community centres, further development of services on the customer platform, and telephony and commencement and delivery of initial implementation of an improved Social Care IT System.

#### Disabled Facilities Grant (£2.017m)

Enfield's Private Sector Housing Grants and Empty Property team support Enfield's disabled residents to remain living at home as independently and for as long as possible. The Council has supported

people with essential housing adaptations such as ramped access, stair lifts, level access showers, hoist etc. In 2017-2018, 222 referrals from Adult Social Care (including for children) were received and 180 applications were completed.

### Schools Capital Programme (£23.9m)

Work continues to progress on the Schools Capital Programme with further improvements made to school conditions and these include:

- New 100 place Pupil Referral unit on Orchardside School which opened January 2018 (£6.4m spend in 2017/18);
- Replacement of dining halls and new kitchens for both Brimsdown and Eldon schools (£4.4m spend in 2017/18);
- Heating and roofing installation on several schools including Broomfield (£2.3m in 2017/18).

## 6.3 Capital Outturn Position

6.3.1 Table 4 below provides a summary of 2017/18 expenditure and variances to budget. The budget includes virements within services since Q3. A breakdown of the variances between programme re-profiling and over/underspends is shown below in Table 5. Budgets are re-profiled in year when capital monitoring is reported to Cabinet. Detailed outturn expenditure and variances by project are shown in Appendix I. Explanations for variances over £0.500m are given in section 6.3.2

**Table 4: Outturn Variances by Service**

Capital Outturn	2017/18 Revised Budget £000's	2017/18 Outturn £000's	Total Variance £000's	Re-profiling of budgets to future years £000's	Over / (Under) spend Funded by Additional Resources £000's
<b>General Fund</b>					
Environment	33,938	22,805	(11,133)	(11,292)	160
Regeneration	78,216	107,452	29,236	29,236	0
Corporate	16,053	15,469	(584)	(703)	118
Health & Adult Social Care	4,137	4,300	163	(1,064)	1,227
Schools & Children's Services	31,251	23,871	(7,380)	(7,380)	0
<b>Total General Fund</b>	<b>163,595</b>	<b>173,896</b>	<b>10,302</b>	<b>8,797</b>	<b>1,505</b>
Housing Revenue Account	76,884	68,194	(8,690)	(8,690)	0
Companies (HGL, LVHN & EIL)	68,059	26,239	(41,820)	(41,820)	0
<b>Total Capital Expenditure</b>	<b>308,538</b>	<b>268,330</b>	<b>(40,208)</b>	<b>(41,713)</b>	<b>1,505</b>

**Table 5: Variance analysis**

<b>Capital Budget Variations</b>	<b>Re-profiling to future years</b>	<b>Project Over spend Funded by Additional Resources</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Environment:</b>			(11,133)
Building Improvement Programme	(477)		
Highways and Streetscene	24		
Environmental Protection & Recycling	27	160	
Parks	(314)		
Transport for London Schemes 1	(9,467)		
Vehicle Replacement Programme 2	(1,084)		
			29,236
<b>Regeneration:</b>			
Broomfield House & The Crescent	(7)		
Electric Quarter	(444)		
Ponders End	(22)		
Economic Development	(92)		
Enfield Town	(137)		
Meridian Water 3	30,371		
New Southgate	(433)		
			(584)
<b>Corporate:</b>			
IT Investment 4	(1,298)		
Bury Street Depot	(221)		
Montagu Industrial Estate 5	1,824		
Forty Hall	(71)		
Other Corporate Schemes	(6)		
Libraries 6	(931)		
Vacant Properties		118	
			163
<b>Health &amp; Adult Social Care:</b>			
Mental Health & Wellbeing Centre 7	(938)		
Bridgewood House	(39)		
Decent Homes	(3)		
Enabling	(85)	1,227	
<b>Schools:</b>			
Schools Capital Programmes 8	(7,380)		(7,380)
<b>Housing Revenue Account:</b>			
Estate Renewals 9	(8,690)		(8,690)
			(41,820)
<b>Companies</b>			
Energetik	(205)		
Housing Gateway Ltd 10	(41,614)		
	<b>(41,713)</b>	<b>1,505</b>	
<b>Overall Variance</b>			<b>(40,208)</b>

Inlcudes marginal rounding differences

The table below sets out the additional resources made available to fund capital projects since the Quarter 3 Capital Monitor to Cabinet. Small overspends have been contained within the overall 2017/18 budget.

<b>Additional Funding / Overspend</b>	<b>£'000</b>
Community Safety CCTVs Revenue Contribution	160
Enabling - RTB Receipts to Registered Providers	1,221
Ponders End (Highways) Revenue Contribution	37
	<b>1,418</b>
Other small variations	87
	<b>1,505</b>

### 6.3.2 Notes to Table 5: Explanations of variations over £500k

#### 1. TfL Grant Funded Programme (-£9.647m)

The variance reflects the difference between the current year spend and historic indicative budgets. From 18/19 onwards, budgets included in the Capital Programme will be based on TfL annual allocations, therefore removing artificial variances.

#### 2. Vehicle Replacement Programme (-£1.084m)

Fewer vehicles were delivered than originally anticipated in 2017/18. This is mainly due to:

- delivery of only 3 out of 14 bin waggons in 2017/18 due to a delay in the chassis arriving from Germany,
- change in the design of small tippers for street scene and parks,
- postponement in receiving 13 vehicles from Renault (France) due to delays in the company's production schedules.

#### 3. Meridian Water (+£30.371m)

This represents the final land acquisition payments for Stonehill Estate and Ikea Clear Site, originally profiled to 18/19.

#### 4. IT Investment (-£1.298m)

The IT Investment budgets have been re-profiled to reflect the accurate position for the programme. There were minor delays in the scheduled delivery of the following projects:

- Easy EDRMS Upgrade for Windows 7
- SAP E-Forms
- Mobile Working Servers and Software
- IPSoft Amelia

5. Montagu Industrial Estate (+£1.824m)

Following signed contract with Henry Booth Ltd, the land acquisition of Becketts Road (£1.7m plus fees) ensued just prior to the start of the new financial year.

6. Edmonton Green Library (-£0.910m)

With the completion of the Edmonton Green Library refurbishment; there is approximately £300k worth of retention costs outstanding. Proposals to utilise the projected underspend of £600k to establish 3 Access Centres (in Enfield Town, Palmers Green and Ordnance Unity) are currently being considered.

7. Mental Health and Wellbeing Centre (-£0.938m)

Discussions are currently underway between the council, CCG and voluntary sector with a view to commissioning a mental health and wellbeing hub.

8. Schools Capital Programme (-£7.380m)

A number of schemes, within the school's capital programme will continue into future years including the rebuild of Aylands School, the expansion of Debohun School, electrical works at Minchenden school and construction works at the Orchard side referral unit.

9. Estate Renewals (HRA) (-£8.690m)

The estate renewal budgets have been re-profiled to reflect the accurate position for all projects. The main reasons for the reprofiling are as follows:

- Alma: The Alma project budget has been re-profiled to reflect delays to the scheme. This has affected the spend profile of developer costs and leaseholder buybacks. The re-profiling has resulted in reduced spend in this financial year with costs re-profiled over future years.
- New Avenue: Vacant possession has now been obtained for phase 1 of this project, however, this has resulted in delays which has reduced the expected leaseholder buyback costs in 2017/18.
- Ladderswood: There is an estimated six-month delay to phase 2 of this project due unexpected cladding tests that need to be completed, some expected costs in this year have been moved into 2018/19.
- Small sites: Re-tendering of the original contract has resulted in additional contract costs to enable the completion of phase 2 of the project, however some expected costs have moved into 2018/19.
- Feasibility: feasibility studies and planning preparations are being completed on several small sites schemes, which has increased the cost of the estate renewal budget this year. These schemes include Newstead and Upton and Raynham.

The re-profiling has resulted in reduced spend in this financial year with increased costs profiled over future years. These assumptions have been built into the 30-year Business Plan.

10. Housing Gateway Ltd (HGL) (-£41.614m)

The budget carried forward is mainly the additional funding allocated to HGL as part of the Capital programme reported and approved by Council in February 2017; this funding will be brought forward to for use in future years.

**6.4 Funding**

The capital expenditure was financed as set out in the following table:

<b>Source of Funding</b>	<b>£m</b>
Borrowing	133.6
Capital Grant & Contributions	41.0
Capital Receipts	26.6
Major Repairs Allowance	14.7
Revenue Funding (including Reserves)	26.2
Borrowing funded by Deferred Capital Receipts	26.2
<b>Total Funding required to Finance Capital Expenditure</b>	<b>268.3</b>

Prudential borrowing is funded from within the overall Council budget under the Prudential Code framework. Further information is included in the Treasury Management Outturn Report also on this Cabinet meeting agenda.

The Quarter 1 monitor in the new financial year will include details of re-profiling from 2017/18. The latest 2018/19 programme, including re-profiling, will be reviewed as part of the budget process to ensure all schemes are affordable with the Medium Term Financial Plan and meet corporate priorities.

**7. ALTERNATIVE OPTIONS CONSIDERED**

7.1 Not relevant in the context of this report.

**8. REASONS FOR RECOMMENDATIONS**

8.1 To ensure that members are aware of the outturn position for the authority including all major variances which have contributed to the outturn position.

## **9. COMMENTS OF THE EXECUTIVE DIRECTOR OF RESOURCES AND OTHER DEPARTMENTS**

### **9.1 Legal implications**

The Council has duties within an existing legal framework to arrange for the proper administration of its financial affairs. The recommendations in this report will support the Council in meeting its statutory obligations.

### **9.2 Financial Implications**

Financial implications are implicit in the body of the report. The variances and risks identified through the closure of accounts will be taken into account in the financial monitoring process for 2018/19.

### **9.3 Key Risks**

The budget risks during 2017/18 were managed through detailed revenue monitoring reports provided regularly to Cabinet. Departments took action to minimise budget pressures and align departmental spend to budget. Some of these pressures will also affect 2018/19 and departments are already taking action to contain current year spending pressures, examples include:

- A reduction in fee income across all service areas has continued due to the recession and is being monitored in 2018/19 as part of the monthly budget monitoring regime.
- Welfare reforms especially relating to homelessness.
- Increased demand for services which is subject to tight financial control in all areas of expenditure.
- Other pressures arising from the state of the UK economy and the continuation of the Government's debt reduction programme.

## **10. EQUALITIES IMPACT IMPLICATIONS**

10.1 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.

10.2 Financial reporting and planning is important in ensuring resources are used to deliver equitable services to all members of the community.

## **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

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

## **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. PUBLIC HEALTH IMPLICATIONS**

- 13.1 Public Health considerations are integrated into the capital programme as projects are brought forward for development.

Background Papers: None

**APPENDIX A**

<b>Chief Executive</b>	<b>January Reported Variance £000's</b>	<b>Outturn variance £000's</b>	<b>Change</b>
The department achieved a £394k underspend through controls imposed on discretionary spend.	(394)	(394)	0
<b>Land charges:</b> There was an income target shortfall for land charges due to a decline in the market being exhibited.	239	239	(0)
<b>Agency Rebate:</b> The agency rebate applies to specific categories of agency staff. Although there has been a reduction in agency staff numbers across the council this did not translate into a significant reduction in the agency rebate due to the categories of agency staff affected.	(227)	(335)	(108)
<b>Community Safety:</b> The underspend results from a review of planned contributions to reserves. CCTV equipment replacement will be funded through the Capital programme in the future.	0	(455)	(455)
<b>Policy, Partnership, Engagement &amp; Consultation:</b> There were additional underspends in grants to the Voluntary & Community Sector (which forms part of 2018/19 savings required) together with service salary cost savings.	0	(169)	(169)
<b>Organisational Development:</b> Underspend created through the cessation of training that would have been undertaken in the final quarter of the year.	0	(68)	(68)
<b>Other Items:</b> The department was forecasting other savings totalling £143k mainly due to the performance of schools traded services. Further minor variances have improved this position by £137k.	(143)	(280)	(137)
<b>Chief Executive Total</b>	<b>(525)</b>	<b>(1,462)</b>	<b>(937)</b>

## APPENDIX B

Regeneration and Environment	January Reported Variance £000's	Outturn variance £000's	Change
<b>Director Of Operational Services:</b> £91k favourable variance due to a vacant post.	(90)	(91)	(1)
<b>Street Scene:</b> £61k Adverse Variance. This is due to Fleet Workshop charges and Graffiti Removal internal leasing charges, which were partly offset by Waste Enforcement income over achievement.	0	61	61
<b>Parks Operations:</b> £69k favourable variance. This is due to the capitalisation of salary costs and the transfer/adjustment to the Parks Capital Schemes and surplus funding from the Garden Enfield project.	0	(69)	(69)
<b>Morson Road Depot:</b> £99k 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.	90	99	9
<b>Highways Services:</b> £157k favourable variance. This is due to additional income from vehicle cross over, Parks Tree Maintenance, Scaffolding, over achievement in salary recharges to various projects and other minor variances.	(62)	(157)	(95)
<b>Street Lighting:</b> £50k adverse variance. Due to the costs of festive lighting.	50	50	0
<b>Parking:</b> £541k favourable variance. This is mainly due to the efficiencies achieved in the Parking Contract, temporary increase in receipts from Parking measures introduced to control the flow of traffic across the Borough, plus other minor efficiencies.	(529)	(541)	(12)
<b>Traffic &amp; Transportation:</b> £91k favourable variance. This is due to additional salary recharges to capital schemes, plus increased receipts from Temporary Traffic Orders.	(100)	(91)	9
<b>AD Commercial Services:</b> £51k favourable variance. This is mainly as a result of on-going projects to review efficiencies across the Commercial Services.	(51)	(51)	0
<b>Commercial Services (Parks Assets and contracts):</b> £306k favourable variance. Mainly due to BIFFA contract efficiencies and income over achievements from Parks Assets.	(317)	(306)	11
<b>Pest Control:</b> £72k favourable variance. Income over achievement of £36k and expenditure underspend of £36k due to credit notes from suppliers (adjustments).	(27)	(72)	(45)
<b>Commercial Services:</b> £351k favourable variance. £59k due to works under spend, £260k Cemeteries income over achievement and £32k is related to income from the Mausoleum.	(194)	(351)	(157)
<b>Commercial Services (Commercial Waste Services):</b> £350k favourable variance. This is due to Waste disposal underspend £57k, other operating costs under spend £31k, plus additional income generated from the successful marketing of the commercial waste services £262k.	(339)	(350)	(11)
<b>Commercial Services Parks:</b> £126k adverse variance. This is mainly due to the delay in the tendering of the Whitewebbs Golf Course plus income shortfall of £23k, and other minor variances.	97	126	29
<b>Neighbourhood Regeneration Services:</b> £249k favourable variance. This is mainly due to underspend in the revenue cost of consultancy, advertising and publications plus salary recharges to capital projects (Meridian Water, Ponders End Project and other schemes).	(230)	(249)	(19)
<b>Planning Applications:</b> £68k adverse variance. The overspend is due to legal costs associated with Revocation Order 40 Nelson Road (Estimated @ £150k).	65	68	3
<b>Planning Enforcement:</b> £96k adverse variance. Due to St Georges Road appeal costs (estimated cost £50k), air quality funding shortfall £30k and other minor variances.	60	96	36
<b>Skills For Work Service:</b> The adverse variance is due to Schools Funding Agency funding clawback.	160	172	12
<b>Traveller Incursions:</b> £609k adverse variance - budget pressure due to the Parks traveller incursion costs.	591	609	18
<b>Plus Other Minor Variances:</b> Minor variances under £50k - adding up to £77k.	(67)	(77)	(10)
<b>Regeneration and Environment Total</b>	<b>(893)</b>	<b>(1,124)</b>	<b>(231)</b>

## APPENDIX C

Finance, Resources & Customer Services	January Reported Variance £000's	Outturn variance £000's	Change
<p><b>Property Services:</b></p> <p><b>Facilities Management (-£25k)</b> There was 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 received due to a revaluation of the Civic Centre and other buildings resulting in an overall saving within Facilities Management.</p> <p><b>Strategic Property Services (+£783k)</b> This is predominantly due to the delays in achieving the anticipated Bund income for 2017/18. There was a further pressure due to an unrealisable commercial property income target which was to be delivered from investment in commercial properties.</p>	711	758	47
<p><b>Assessment Hub:</b></p> <p><b>Court cost collection fees</b> - continued shortfall against budgeted income generated through the recovery of court costs fees.</p> <p><b>Assessment demand</b> - due to continued levels of demand, additional agency costs and use of Civica staff have been required to meet workload. This will continue into 2018/19 and plans are in place to replace agency staff with Fixed Term Contract posts in order to mitigate the cost of meeting demand.</p>	0	228	228
<p><b>Other Items</b> - Other variances include most notably a Former Employees cost centre underspend of £86k and staff vacancy savings of £81k within Corporate Governance. These underspends are offset by other minor overspends elsewhere.</p>	(298)	3	301
<b>Finance, Resources &amp; Customer Services Total</b>	<b>413</b>	<b>989</b>	<b>576</b>

## APPENDIX D

Adult Social Care	January Reported Variance £000's	Outturn variance £000's	Change
<b>Director</b> - Recharge of part year for the secondment of the Executive Director to the Department of Health.	0	(27)	(27)
<b>Strategy &amp; Resources</b> - These Services include, transport, grants to voluntary organisations, Safeguarding and Service Development. Transport actuals more than projections.	0	35	35
<b>Mental Health</b> - The service is overspent for the year on care packages due to higher demand for services	104	94	(10)
<b>Learning Disabilities</b> - The service is overspent as a result of 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.	102	104	2
<b>Older People and Physical Disabilities (the Customer Pathway)</b> - The service is overspent 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.	683	670	(13)
<b>Other minor variances across Adult Social Care</b>	0	21	21
<b>IWE/Bridgewood</b> - The Home was due to be fully operational in June 2017, however water problems were not resolved until late December 2017 and no new placements were made in this time. The overspend is due to additional one off staffing and running costs incurred by IWE as a result of mobilisation and implementation delays, however it is expected that the 2018/19 position will be in balance.	0	394	394
<b>Bridgewood</b> - Enfield CCG income for CHC unit block contract (12 beds) - The full year value of the block is £750k but the unit was not available for placements until 6th December 17 due to problems with the water supply at Bridgewood so achieved income reflects the part year effect (£238k) with the remaining £512k of the block value unachieved.	0	512	512
<b>Public Health Grant</b> The Departmental forecast also includes ring fenced Public Health Grant. Though outturn reflects a neutral variance, in fact an underspend of £732k was added to the Public Health Earmarked Reserve which now has a carried forward balance of £1.3m.	0	0	0
<b>Adult Social Care Total</b>	<b>889</b>	<b>1,803</b>	<b>914</b>

Housing General Fund	January Reported Variance £000's	Outturn variance £000's	Change
<b>Homelessness and Temporary Accommodation</b> - There is ongoing 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 area of spend, however, remains volatile and the underlying pressure due to the increased volume of homelessness remained and the overall pressure of £1.9m was funded from the Flexible Homelessness Support grant.	0	(38)	(38)
<b>Regulatory Services</b> - Costs of legal officer that was assisting in Proceeds of Crime. Funds have been received from the Proceeds of Crime Act, which will be offset in 18/19.	0	66	66
<b>Housing Related Support</b> - There were savings in 2017/18 of £2.0m to be achieved from Housing Related Support. The overspend of £1.8m was 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. The variance was offset by the application of £1.5m of Flexible Homelessness Grant which has been allocated to deal with and prevent homelessness and the majority of HRS schemes are focused on tenancy sustainment.	429	378	(51)
<b>Housing General Fund Total</b>	<b>429</b>	<b>406</b>	<b>(23)</b>

## APPENDIX E

Schools and Children's Services	January Reported Variance £000's	Outturn variance £000's	Change
<b>Enhanced Pensions:</b> Projected overspend due to non achievement of £100k savings target built into 2017/18 budget.	69	60	(9)
<b>Special Educational Needs (SEN):</b> final outturn is £128k higher than previous reported - pressure on this service area is due to an increase in client numbers.	1,700	1,828	128
<b>Traded Services:</b> £230k of the additional £500k traded service income target for 2017/18 was not achieved due to contraction of school budgets.	230	230	0
<b>Other minor variance in Education services</b>	(20)	39	59
<b>External Child Care placements:</b> The budget was overspent by £121k due to secure remand placements, agency fostering placements, and a high cost placement in residential school for a young person with severe and complex needs. The improved outturn to forecast was due to correction to historic goods receipting and changes in the projected stops and starts.	370	121	(249)
<b>Special Guardianship Allowances (SGO):</b> Minor movement between forecasted position and outturn. The overspend position is due to the growing number of cases.	618	614	(4)
<b>Leaving Care - Client Costs</b> Forecasting during the year was based on expenditure levels of previous years (overspend of approx. £500k). The forecast was reduced during the year to £250k but left at this level as a prudent estimate due to uncertainty around outstanding purchase orders. The outturn position was a small underspend.	250	(22)	(272)
<b>Homeless 16-17 year olds:</b> A reported overspend of £23k which was mostly driven by emergency sheltered accommodation for young people. Outturn shows an improved position due to the one off benefit of correcting historic goods receipts and the provision for emergency accommodation not being required at the level forecast.	23	(78)	(101)
<b>Children In Need:</b> Delays in recruitment in three teams and unforeseen reduced agency cost. Running cost is lower than anticipated, including translation and vehicle hire.	13	(77)	(90)
<b>UASC:</b> 5 unplanned clients in Feb and March. Home Office challenged funding for several clients.	(37)	53	90
<b>Youth Offending Unit:</b> Delays in recruitment and reduced agency cost.	(21)	(76)	(55)
<b>Youth Strategy &amp; Support Service:</b> Maintenance work for centres scheduled for end of February- March was booked but didn't take place by the end of March.	(18)	(66)	(48)

<b>Other minor variations in Children's Social care services.</b> It should be noted that the pressures in No Recourse to Public Funds (NRPF) and additional remand places were funded by corporate contingency and pressures remain going into 2018/19.	(182)	(301)	(119)
<b>Schools and Children's Services Total</b>	<b>2,995</b>	<b>2,325</b>	<b>(670)</b>

## APPENDIX F

Corporate	January Reported Variance £000's	Outturn variance £000's	Change
<b>Capital Financing &amp; Treasury Management</b> Saving on interest payments achieved due to lower interest rates and higher than anticipated interest receipts, including interest charged to Council owned companies and major projects.	(2,000)	(5,022)	(3,022)
<b>Other Corporate Income &amp; Expenditure</b> An adverse variance of £4m results from i) increased contributions of £2m to reserves including the Risk reserve to mitigate against unbudgeted pressures and to the Redundancy and Early Retirement reserve to meet in-year costs resulting from the restructuring of the Council's workforce; ii) A shortfall of £2m against the budgeted target for Enfield 2017 transformation savings. This shortfall is being addressed through the organisational review, which implements the outstanding actions from the Enfield 2017 programme.	2,000	4,005	2,005
<b>Other Minor Variations</b>	0	(80)	(80)
<b>Corporate Total</b>	0	(1,097)	(1,097)

## MOVEMENT IN EARMARKED RESERVES 2016/17 TO 2017/18

RESERVE	Balance at 31 March 2017 £'000s	Net Transfers 2017/18 £'000s	Balance at 31 March 2018 £'000s	Comments
<b>General Fund Reserves</b>				
<b>Service Projects / Programmes</b>				
Council Development Reserve	483	(68)	415	Used to fund the Graduate trainee programme
Regeneration Reserve	902	0	902	Reserve supports delivery of regeneration priorities including Meridian water and Ponders End
Vehicle and Equipment Replacement Fund	4,539	655	5,193	Fund required for future replacement of the council fleet
Capital Reserve - General Fund	197	60	257	This resource supports the delivery of the Capital Programme
ICT Investment Fund	1,621	(750)	871	Funding available for IT Workplan Projects and Transformation
Waste Recycling Reserve	337	(116)	221	Funds commercialisation and invest to save projects to improve recycling & contamination
European Social Fund match funding	342	0	342	Transfer to Risk Reserve as no longer needed
Enfield Community Capacity Building Fund	750	(184)	566	Funds ECCB projects and also funds the Ark
Project Carry Forwards	1,478	(1,478)	0	No further Project Carry Forwards will be approved
Troubled Families	0	1,401	1,401	Grant is ring-fenced for the Change and Challenge programme
Industrial Estates Improvements	78	0	78	This is a ring-fenced grant given to us by LABGI which has been used to support the North London Chamber of Commerce, to the Enfield Business & Retailers Association; to North London Business and North London Strategic Alliance, etc. to improve the state of repairs of industrial estates in order to make them attractive for letting. (No spend since 2015)
Empty Properties (New Homes Bonus 2011/12)	113	0	113	Will be rolled in with the main NHB reserve
New Homes Bonus	1,456	0	1,456	Reserve will be needed to offset expected reduction in budgeted NHB over the medium term
Other General Fund Reserves for small projects	5,303	(377)	4,926	
<b>Total Service Reserves</b>	<b>17,600</b>	<b>(857)</b>	<b>16,742</b>	
<b>Risk and Smoothing Reserves</b>				
PFI Investment Reserves	685	(94)	591	Reserve required to manage the PFI funding models
Insurance Fund	5,520	955	6,475	Provides internal cover for council risks
Repair & Maintenance of Council buildings	635	727	1,362	Reserve provides a smoothing mechanism for revenue costs of R & M which vary year on year
Interest Rate Equalisation Reserve	2,913	4,500	7,413	This reserve provides some cushioning against further fluctuations in interest rates, interest receipts from council owned companies and interest charged against major capital projects
Restructuring and redundancy reserve	39	551	591	Reserve will contribute to future costs of organisation reviews and potential staff redundancies
Repairs Fund for private sector housing leased to the Council	937	(325)	612	Funds repairs to PSL properties
Risk Reserve	12,851	1,136	13,986	Reserve provides medium term resilience against unbudgeted pressures and unpredictable events
Welfare Reforms & Hardship Fund	3,237	(1,060)	2,177	Reserve created to meet potential costs arising from debt increase in rents / council tax due to the new welfare reforms. It also funds the Hardship scheme
Collection Fund Equalisation Reserve	0	6,000	6,000	Reserve provides a buffer against reductions in Government funding and fluctuations in Council Tax or Business Rate income
Minimum Revenue Provision Equalisation Reserve	0	7,919	7,919	Reserve results from a change in MRP policy which spreads the cost of capital over a longer period. This will result in some additional costs in future years which the reserve will offset, by setting aside part of the short term savings.
<b>Total Risk and Smoothing Reserves</b>	<b>26,817</b>	<b>20,310</b>	<b>47,127</b>	
<b>Other Reserves</b>				
Performance reward grant receivable (LSP)	374	(64)	310	ESP Salt project and Chelsea's choice funded in 2017/18
Residents Priority Fund	567	(414)	153	Commitments remain to some RPF projects, but some funds have been released where no longer required
	941	(478)	463	
<b>A. TOTAL GENERAL FUND RESERVES</b>	<b>45,358</b>	<b>18,975</b>	<b>64,332</b>	
<b>B.Non- General Fund (GF) Ring-Fenced Reserves:</b>				
Dedicated Schools Grant	(3,001)	2,260	(741)	
Public Health	823	512	1,335	
S106 Receipts	498	(32)	466	
HRA Repairs/Capital Reserve	20,677	(7,043)	13,634	
<b>Total Earmarked Reserves including non-GF Reserves (A+B)</b>	<b>64,354</b>	<b>14,672</b>	<b>79,026</b>	
<b>C. GENERAL FUND BALANCES</b>	<b>14,000</b>	<b>0</b>	<b>14,000</b>	
<b>TOTAL GENERAL FUND RESERVES &amp; BALANCES (A + C)</b>	<b>59,358</b>	<b>18,975</b>	<b>78,332</b>	

APPENDIX H

**Use of Capital Receipts in 2017/18**

The table below shows how we used capital receipts in 2017/18

2017/18 Initiatives Planned to be funded from Capital Receipts	£	Planned Savings and Demand Reductions
<b>Housing, Health and Adult Social Care Services</b>		
Adults with Learning Disabilities: Groundwork for the Transforming Care Programme	797,000	There is a national plan, Building the Right Support, in the cross-system Transforming Care programme, to meet individuals' needs, more choice for people and their families, and more say in their care. This will include more innovative services to give people a range of care options, with personal budgets, so that care meets individuals' needs and providing early more intensive support for those who need it, so that people can stay in the community, close to home. This approach will also reduce duplication and review existing care packages and cost savings will be achieved where appropriate. This will save £1.5m on the cost of existing contracts from 2017/18 to 2019/20.
Review of residential, nursing and supported accommodation to older people and people with physical disabilities	92,000	To maximise income particularly in the field of complex care packages. This will achieve additional income of £425k over 2017/18 and 2018/19.
Customer Pathway Review	217,000	Reviewing care packages for older people and people with physical disabilities to determine changes could better suit their needs. This will contribute towards achievement of the £4.8m savings target in the MTFP from 2017/18 to 2019/20.
Review of Mental Health Packages	157,000	Review complex mental health packages to maximise income. This will contribute towards achievement of the £415k target in the MTFP.
<b>Schools and Children's Services</b>		
Work on new databases for children, including SEN children, together with work to deliver the savings needed to respond to the cut in Educational Support Grant	157,700	Will support savings in the MTFP, including the reductions needed to offset the cut in ESG Grant which has resulted in a net loss of £2.2m in funding for Enfield.
<b>Finance, Resources and Customer Services</b>		
Financial Support	337,000	Financial support to Service Departments and Transformation programme in identifying and assessing feasibility of savings proposals, identifying mitigating actions on cost pressures to ensure delivery of the savings targets required by the Council's Medium Term Financial Plan, and providing financial input and business partnering support to services for restructuring and other savings initiatives.
Operational Support	23,000	Continued review of operational support activities to reduce resources required and transform service delivery.
Transformation Management	150,000	Programme management of Enfield's Transformation Programme.
Transport Management Reviews	679,377	Operational and Demand Management Initiatives which delivered savings of £562 in 2016/17, £1,050k in 2017/18 and £1,329k in 2018/19.
Contract and commissioning reviews, innovative procurement and programme management of MTFP savings programme.	1,437,500	Contract and commissioning reviews, innovative procurement and programme management of MTFP savings programme.
Cultural Survey and Organisational review	200,933	This work will inform the design and implementation of the new leadership and management staffing structure.
ICT Costs to support Transformation	1,252,390	ICT projects that will deliver transformation and more efficient ways of working that will generate revenue savings and improve performance.
Redundancy	1,146,048	These redundancies will enable future years' savings in the MTFP to be achieved.
<b>Total funded from Capital Receipts in 2017/18</b>	<b>6,739,000</b>	

**APPENDIX I**

APPROVED PROGRAMME BUDGET 2017/18	2017/18 Latest	2017/18 Outturn	Total Variance	Budget c/fwd to	Budget b/fwd	Project
	Q3 Budget			2018/19	from 2018/19	Over/(Under) spend Funded by Additional Resources
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Environment:</b>						
Building Improvement Programme	1,343	866	(477)	(477)	0	0
Community Safety & Recycling	0	179	179	0	19	160
Environmental Protection	80	88	8	0	8	0
Highways and Street Scene	6,962	6,986	24	(389)	413	(0)
Parks	2,329	2,014	(314)	(539)	225	0
Transport for London	21,278	11,811	(9,467)	(9,467)	0	0
Vehicle Replacement Programme	1,947	863	(1,084)	(1,084)	0	0
<b>Regeneration:</b>						
Broomfield House - Restoration Project	53	36	(17)	(17)	0	0
Economic Development	84	(8)	(92)	(93)	1	0
Electric Quarter	1,728	1,284	(444)	(444)	0	0
Enfield Town	200	63	(137)	(137)	0	0
Meridian Water	75,251	105,622	30,371	0	30,371	0
New Southgate	481	48	(433)	(433)	0	0
Ponders End	400	378	(22)	(92)	70	0
The Crescent, Edmonton	19	29	11	0	11	0
<b>Environment &amp; Regeneration Total</b>	<b>112,154</b>	<b>130,258</b>	<b>18,104</b>	<b>(13,173)</b>	<b>31,118</b>	<b>160</b>
<b>Finance, Resources and Customer Services</b>						
Bury Street West Depot Project	500	279	(221)	(221)	0	0
Civic Centre Refurbishment	814	814	(0)	(0)	0	0
Corporate Schemes	1	1	0	0	0	0
Customer Interface Venues	30	8	(22)	(22)	0	0
Edmonton Green Library	3,289	2,380	(910)	(910)	0	0
Enfield Highway Library	160	160	0	0	0	0
Forty Hall	133	62	(71)	(71)	0	0
IT Investment	10,299	9,001	(1,298)	(1,298)	0	0
Montagu Industrial Estate	591	2,414	1,824	0	1,824	0
Palmers Green Library	203	203	0	0	0	0
Ridge House Clinic	9	7	(2)	(2)	0	0
Southgate Circus Library Development	15	18	3	0	3	0
Vacant Properties	0	118	118	0	0	118
William Preye	10	4	(6)	(6)	0	0
<b>Finance, Resources and Customer Services Total</b>	<b>16,054</b>	<b>15,469</b>	<b>(585)</b>	<b>(2,530)</b>	<b>1,827</b>	<b>118</b>

**APPENDIX I**

APPROVED PROGRAMME BUDGET 2017/18	2017/18 Latest	2017/18 Outturn	Total Variance	Budget c/fwd to	Budget b/fwd	Project
	Q3 Budget			2018/19	from 2018/19	Over/(Under) spend Funded by Additional Resources
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Health, Housing and Adult Social Care</b>						
Bridgewood House	597	558	(39)	(39)	0	0
Disabled Facilities Grants	2,017	2,017	0	0	0	0
Mental Health and Wellbeing Centre	938	0	(938)	(938)	0	0
New Options	1	1	0	0	0	0
Sub Regional Housing	113	110	(3)	(3)	0	0
Housing Assistance Grants	471	1,614	1,142	(85)	0	1,227
<b>Health, Housing and Adult Social Care Total</b>	<b>4,137</b>	<b>4,300</b>	<b>163</b>	<b>(1,064)</b>	<b>0</b>	<b>1,227</b>
<b>Schools and Children's Services</b>						
Fire Precaution	52	52	0	0	0	0
Schools Expansions	11,043	11,043	0	0	0	0
Schools Maintenance	9,572	9,572	0	0	0	0
School Meals	68	68	0	0	0	0
Schools Disabled Access	0	0	0	0	0	0
Schools Funding	7,462	82	(7,380)	(7,380)	0	0
Devolved Schools Capital	3,054	3,054	(0)	(0)	0	0
<b>Schools and Children's Services Total</b>	<b>31,251</b>	<b>23,871</b>	<b>(7,380)</b>	<b>(7,380)</b>	<b>0</b>	<b>0</b>
<b>Housing Revenue Account (Capital)</b>						
Major Works	16,146	16,146	1	0	1	0
Minor Works	4,185	4,185	(0)	(0)	0	0
Estate Renewals	56,553	47,862	(8,691)	(12,741)	4,050	0
<b>Housing Revenue Account Total</b>	<b>76,884</b>	<b>68,194</b>	<b>(8,690)</b>	<b>(12,741)</b>	<b>4,051</b>	<b>0</b>
<b>Total General Fund and HRA</b>	<b>240,479</b>	<b>242,091</b>	<b>1,612</b>	<b>(36,888)</b>	<b>36,995</b>	<b>1,505</b>
<b>Companies</b>						
Energetik	2,236	2,031	(205)	(205)	0	0
Enfield Innovations Ltd	1,722	1,722	(0)	(0)	0	0
Housing Gateway Ltd	64,101	22,487	(41,614)	(41,614)	0	0
<b>Companies Total</b>	<b>68,059</b>	<b>26,239</b>	<b>(41,820)</b>	<b>(41,820)</b>	<b>0</b>	<b>0</b>
<b>APPROVED CAPITAL PROGRAMME</b>	<b>308,538</b>	<b>268,330</b>	<b>(40,208)</b>	<b>(78,708)</b>	<b>36,995</b>	<b>1,505</b>