

MUNICIPAL YEAR 2016/17 REPORT NO: 153**MEETING TITLE AND DATE:**

Cabinet
14th December 2016

AGENDA PART 1**ITEM 8**

Subject: Revenue Monitoring Report
2016/17: October 2016 &
2017/18 Budget Update

Wards: All

Report Of:

Director of Finance, Resources and Customer Services

Contact:

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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 October 2016. The report forecasts an outturn position of £7.2m overspend for 2016/17.
- 1.2 It also updates Cabinet on the budget preparations for 2017/18 and the Medium Term Financial Plan.

2. RECOMMENDATIONS

Cabinet is recommended:

- 2.1 To note, for information, the £7.2m overspend revenue outturn projection. This position is the same as reported in September 2016.
- 2.2 To note, for information, that Cabinet Members will continue to work with Directors to implement action plans to reduce the forecast overspend in 2016/17.
- 2.3 To note, for information, the mitigating actions proposed to date by Directors of overspending departments as set out in Appendix A.
- 2.4 To note, for information that Cabinet Members will continue to work with Directors to agree and implement plans to mitigate pressures being forecast in the Medium Term Financial Plan.

3. BACKGROUND

- 3.1 The Council's revenue expenditure against budget is monitored by regular monitoring reports to the Corporate Management Board and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council as a whole, and provide details of any projected additional budget pressures and risks, or any significant underspends.
- 3.2 The Revenue Monitoring Report is a result of the monthly monitoring process carried out by Departments, which is based on the following principles to ensure accuracy, transparency and consistency:
 - Risk assessments, to enable greater emphasis to be placed on high-risk budgets throughout the year.
 - Comparisons between expenditure to date, current budgets and profiles.

- Expenditure is predicted to the year-end, taking account of seasonal fluctuations and other determinants of demand.
 - The 'Key Drivers' that affect, particularly, the high-risk budgets are monitored and reported to Department Management Teams.
 - Action plans to deal with any areas that are predicting or experiencing problems staying within agreed budgets are produced.
- 3.3 This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, variations in this report are limited to +/- variances of £50,000 or over in order to provide a greater strategic focus.
- 3.4 A summary overview of financial performance is outlined below in Table 1. The intention of this is to provide the key highlight messages in a “dashboard” style summary. It is designed to capture the key messages across the Council’s main financial areas, namely:
1. Income and expenditure;
 2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
 3. Cash flow forecasting and management.

Table 1: Summary performance overview

Area of review	Key highlights	Risk Rating		
		Aug	Sept	Oct
Income and expenditure position	<ul style="list-style-type: none"> • Year-end variances of £7.2m overspend have been forecast to date in relation to General Fund net controllable expenditure. Mitigating actions have been implemented to offset identified pressures. 	Red	Red	Red
	<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 £321,000 underspend at year-end outturn against budget. 	Green	Green	Green
	<ul style="list-style-type: none"> • The Schools Budget is currently projecting an overspend position of £1.270m. This mainly relates to Special Educational Needs (SEN). 	Red	Red	Red
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 2016/17. 	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. OCTOBER 2016 MONITORING – GENERAL FUND

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

Table 2: Forecast Projected Departmental Outturn Variances

October 16 Department	Net Controllable Budget					
	Original Budget £000s	Approved Changes £000s	Approved Budget £000s	Projected Outturn £000s	October Variation £000s	September Variation £000s
Chief Executive	4,307	(220)	4,087	4,087	0	0
Regeneration & Environment	24,956	631	25,587	25,083	(504)	(489)
Finance, Resources & Customer Services	38,799	8,547	47,346	48,540	1,194	1,278
Health, Housing and Adult Social Care	78,003	(2,635)	75,368	79,274	3,906	3,904
Education and Children's Services	44,935	13	44,948	47,511	2,563	2,506
Total Department Budgets	191,000	6,336	197,336	204,495	7,159	7,199
Contribution from reserves	0	0	0	0	0	0
Collection Fund	(1,319)	0	(1,319)	(1,319)	0	0
Corporate Items	46,791	(6,336)	40,455	40,455	0	0
Government Funding	(128,557)	0	(128,557)	(128,557)	0	0
Council Tax Requirement	107,915	0	107,915	115,074	7,159	7,199

4.2 Each of the departments has generated a list of the variances which are contributing to the projected outturn figures. In addition, another exercise has been completed which highlights mitigating actions which will aim to contain and reduce overspends shown in the projected outturn position which is stated in table 2. Details of these proposed actions can also be seen in each department's appendix.

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & MITIGATING ACTIONS

5.1 Chief Executive's Department (Appendix A1)

This department is reporting a nil variance to budget for October.

5.2 Regeneration & Environment (Appendix A2)

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

5.3 Finance, Resources & Customer Services (Appendix A3)

There has been a reduction in the adverse variance that is reported for this department for October. Relevant mitigating actions which will target reducing this adverse variance can be seen in the appendix for FRCS.

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

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

5.5 Children's Services (Appendix A5)

The variance in this department has increased in October to £2.563m, an increase of £57k from the September projection. The appendix shows reasons for this variance as well as mitigating actions that have been generated by the service.

5.6 Schools Budgets (Appendix A6)

These variations do not form part of the General Fund position but are reported for information in Appendix A6. The current forecast overspend is £1.270m. If the final outturn position reports an overspend, this will be carried forward and will be the first call against the 2017/18 Dedicated Schools Grant.

6. OTHER GENERAL FUND ITEMS

6.1 Treasury Management and cash flow analysis

Interest rates are still at a record low level, nonetheless rates have been on a gradual increase since August 2016. The council is advised by its Treasury Management consultants, Capita, that there will be periods of reduced long term rates offered by PWLB. Therefore the advice to borrow in tranches is still relevant with the aim of benefiting from current rates whilst maintaining flexibility if and when the rates fall.

Appendix B shows that since the start of the financial year debt levels have increased by £64m from £438.6 to £502.6m. Increases in the capital programme and HGL are the greatest contribution to this increase. This amount is within the Council's prescribed limits for borrowing, as stated in the Treasury management Strategy. In the course of the last month debt levels have actually decreased by £15.6m from £518.2 to £502.6m. This decrease is due to the repayment of short term loans and principal payments of long term loans. The council is expected to replace the matured short term loans in the following months.

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

The Council maintains a general contingency of £1.0m. It is expected that £0.8m of this contingency will be utilised for the funding of expenditure in Schools & Children's Services relating to No Resource to Public Funds costs as agreed by Cabinet in 2014-15.

7. HOUSING REVENUE ACCOUNT (HRA) – £321k Underspend

- 7.1. The HRA projection for October shows an underspend of £321k which is made up of £150k on Supervision & Management, £101k on Repairs and £70k on Rents.
- 7.2. The underspend within Supervision and Management is due to delays in the recruitment of cleaning caretakers.
- 7.3. The main areas of underspend within Repairs are voids (£251k), responsive repairs (£273k) and planned maintenance (£124k). These are reduced by a predicted overspend on the boiler replacement programme £252k and some slippage on planned maintenance schemes £171k.
- 7.4. An additional £70k income will be received from Aerials and an additional shop letting.
- 7.5. All other HRA budgets are currently predicted to be on target.

8. ACHIEVEMENT OF SAVINGS

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

9 2017/18 BUDGET UPDATE

9.1 Budget Process and Savings Proposals

Work on the budget for 2017/18 and subsequent years has continued, with further member and officer meetings throughout November and December. Directors are working on new savings proposals and mitigating actions to offset the budget gap for 2017/18, with the finalisation of the budget proposals to be reported to Cabinet and Council in February 2017.

9.2 Multi-Year Settlement Offer and Efficiency Statement

As previously reported Enfield accepted the Government's multi-year settlement offer and subsequently Enfield's Efficiency Plan was published on the Council website by the stated deadline. The Minister for Local Government has since written to the Council leader with confirmation that Enfield is now formally on the multi-year settlement.

9.3 Autumn Statement

The Autumn Statement did not have as many significant announcements relating to Local Government as expected, and there were no changes announced to Local Government funding, including no reference to the calls for additional funding for Adult Social Care. Key announcements are as follows:

- Overall Government borrowing figures are £122bn worse than forecast in March.
- London devolution deal:
 - devolution of the Adult Education budget and the Work & Health programme confirmed
 - further devolution powers to be agreed over the coming months, although no further detail on this has been provided
- Business Rates reliefs
 - cap for large businesses reduced from 49% to 43% in 2017/18 which will benefit London businesses by £46m
- £3.15bn affordable housing funding agreed confirmed for the GLA
- £2.3bn Housing Infrastructure Fund by 2020/21 to be allocated on a competitive basis
- Local Growth Fund - £492m for London and the South East

10. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

11. 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.

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

12.1 Financial Implications

As the Section 151 Officer, the Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority. The monthly revenue monitoring is 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.

12.2 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.

12.3 Property Implications

Not applicable in this report.

13. 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.

14. IMPACT ON COUNCIL PRIORITIES

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

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

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

15. EQUALITIES IMPACT IMPLICATIONS

The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

The Council does not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.

Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

16. 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.

Appendix A1

Chief Executive	Budget Variation October 2016 (£'000)
No variances to report	0
Chief Executive Total	0

Appendix A2

Regeneration and Environment	Budget Variation October 2016 (£'000)
Director & Programme Office - efficiencies identified following an on-going project to review services across the Regeneration and Environment department & HRA	(206)
Community Safety - police contract and community salaries underspend, Prevent project income and additional budget contribution from Env efficiencies to offset a loss of a grant from Home Office	(100)
Regulatory Service - external legal costs £80k (prosecutions) and £32k licensing salary overspend	112
Corporate Health and Safety - Contract underspend and additional income received from undertaking asbestos surveys in HGL properties.	(74)
Traffic and Transportation - Salary Recharge to Capital Schemes (LIP and Cycle Enfield) and additional Temporary Traffic Order income.	(90)
Waste Client - £341k variance is related to the BIFFA comingled contract over spend. The over spend is due to the waste composition and contractual costs reflecting current difficult commodity and trading conditions).	341
Commercial Services - Salary Underspend	(53)
Commercial Waste - this is due to salary underspend and additional income generated from the successful marketing of the commercial waste services	(144)
Commercial Service (Parks) - due to Parks events additional income and Parks Assets rental income overachievement	(97)
Street Lighting - Festive Lighting Costs	50
Cemeteries Operations - Income Overachievement	(89)
Regeneration Services - underspend in the revenue cost of consultancy	(96)
Plus Other Minor Variances - Minor variances under 5k added up	(58)
Regeneration and Environment Total:	(504)

Appendix A3

Finance, Resources & Customer Services	Budget Variation October 2016 (£'000)
Information & Communications Technology (ICT) - Overspend is due to continued revenue pressure as ICT picks up all revenue costs for new projects with no new revenue budget identified, i.e. Enfield 2017 Platform. A review of the capital programme is being undertaken to re-profile revenue pressures.	300
Legal & Corporate Governance Services - Overspend within this service area is due to staffing cost overspends in Legal and Corporate Governance (£100k), Printing & Post costs in Electoral Services (£60k), Income target in registrars (£140k) no longer achievable because of a change in Home Office fees.	334
<p>Property Services</p> <p>Facilities Management (+£905k) variance due to shortfall in income from Edmonton Centre of £200k, Swan Annexe £100k, 9 Centre Way / 3 Southway £159k, Claverings £59k. In addition a rent review of Triangle House £159k, overspend in running costs of admin buildings of £160k, £33k on the requirement to replace all council ID passes and £55k due to security and maintenance pressures on the Civic Centre, giving a net variance of £905k. Property Services management are currently working through an action plan to resolve the shortfall in income. It is anticipated that additional income will be generated in 2016/17 to further reduce the overspend and updates will be provided in future monitoring reports. Rent shortfalls at Community House (£135k) and The Ark (£128k) will be met by a contribution from the Community Fund reserve and so are not reported as variances in the monitor.</p> <p>Strategic Property Services (-£240k) Anticipated Bund income of £300k will be generated in 2016/17 to be used to deal with pressure across Property Services which is off setting pressures in income and staffing.</p>	665
Other Items - most notably Former Employees cost centre with an underspend of £90k.	(105)
Use of reserves and other control measures	
Finance, Resources & Customer Services Total	1,194

Mitigating actions being taken to reduce overspend position - FRCS	
Property - Commercial Rents: Income shortfalls being reviewed with action plan to come to CMB, e.g. Claverings - £35k; Churchfields £25k. Proposals for additional income are included in the 2017/18 budget proposals .	
IT - Cloud / Civic / Serco Contract: A review of the capital programme is being undertaken to see whether any re-profiling could take place to pick up any of the revenue pressures. This exercise has so far reduced the overspend from £850k to the £500k currently being reported. Further staffing and contractual changes are currently in hand, with full year effects in 2017/18.	
Staffing cost overspends in Legal and Corporate Governance - Legal costs across the Council are being reviewed, with a view to reducing use of more expensive external legal firms.	

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

Health, Housing and Adult Social Care	Forecast Budget Variation October 2016 (£'000)
Adult Social Care	
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.	
Strategy & Resources - There is a minimum of £130k of transport pressures. This is dependant on all the savings being achieved. This is offset by Service Development budgets being £120k under	10
Mental Health - The service is currently projecting an overspend for the year on care packages.	400
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 £530k for Ordinary Residence.	2,647
Older People and Physical Disabilities (the Customer Pathway) - The service is projecting care purchasing overspends against a net budget of £30.4m, due to demand led services. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics	4,294
Independence & Wellbeing Services - Client income at the two in-house residential homes is less than expected. With the provision of the new home, running costs will be reduced in the longer term.	200
Public Health Grant The Departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2016/17 is now £17.7m, this reflects a reduction in grant of £409k, with additional reductions of £1.3m planned over the next three years. There is a risk that demand led sexual health services could result in additional pressures. The Public Health grant is ring fenced and used as per the Department of Health guidance.	0
Other control measures - Use of the Better Care Fund £1.5m and the use of one off monies and further management actions £2.605m.	(4,105)
Adult Social Care	3,446
Housing Related Support - The savings in 16/17 were £2.6m in Housing Related Support. The overspend is from Housing Related Support contracts. Savings have already been made in this area in 16/17 and the variance is as a result of delayed savings. This service will be closely monitored to ensure the achievement of future year savings.	860
Homelessness and temporary accommodation - There is forecast favourable variance of £0.400m for 2016/17. However, this area of spend remains volatile and the underlying pressure due to the increased volume of homelessness still remains. There has been a £1m net budget increase in 16/17 to reduce these pressures but there is on-going mitigation work being carried out looking at cost avoidance schemes which will manage both service demand and costs of all forms of temporary accommodation.	(400)
Housing-General Fund	460
Adult Social Care & Public Health	3,906

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

Children's Services	Budget Variation October 2016 (£'000)
Catering The over achievement of income has increased. This is mainly due to the primary and secondary schools projecting a higher update of school meals coupled with a food rebate from suppliers.	(198)
SEN Transport is currently anticipating the same level of expenditure as last year. This will mean that the service will be overspent by approximately £2.1m this year.	2,167
External Residential Child Care Placements The external residential placements budgets are showing a net overspend of £134k, based on current and planned placements. This is an increase of £171k reported last month due to an additional agency foster care placement; a new residential care placement and extensions to a number of secure remand placements. The October monitoring projection includes planned placements but possible additional placements totalling £385k are not reported.	134
Children In Need – Social Work Teams Referral rates remain consistently high and the increasing demand for front line social work services requires these teams to maintain their full staffing establishment to provide a safe service and controlled case loads. Consequently a number of key vacant posts are covered by agency staff.	151
In House Fostering Allowances Allowances projected have increased by £67k since the September budget monitor due to 6 new placements (£47k) and also a projected increase in the costs of sessional workers (£20k). There is a risk that this overspend could rise further, as there is no provision for any unknown future placements.	153
In House Fostering Staff The projected underspend has reduced by £5k due to recruitment for one vacant care co-ordinator post being filled earlier than anticipated due to redeployment.	(59)
Adoption Allowances This service area has seen a budget growth in 2016-17 of £350k, however the service is still projecting an overspend. This budget area presents a high risk of overspending further. Since last month there is a net increase of £10k with allowances increasing for 5 new SGO projections which were offset by delays in the commencement of other projected adoption/ SGO's cases.	125
Leaving Care - Client Costs This budget has increased by £870k in 2016-17. The Leaving Care client costs budget is projecting an overspend of £193k which is an increase of £67k since last month due to 3 new placements and 2 placement extensions for existing clients. It is anticipated that the overspend will increase when new clients come into care, and existing package costs will increase if there are delays in clients moving on to independence. The LAC service are continuing to review the most expensive support packages and exploring alternative or new options for service provision for these clients where possible. There is also a shortage of semi-independent accommodation which means clients are unable to be moved from their expensive residential placements.	193
Unaccompanied Asylum Seeking Children (150k) The increase (effective from July 2016) in the rates paid in the Home Office grant are for legacy cases coming in from July and does not apply to retrospective clients. The projected overspend of £151k remains at a similar level to last month. A national transfer protocol of UASC's has been created to enable the safe transfer of unaccompanied children from one local authority to another. Enfield was one London Borough that had more than its share of UASCs within its overall LAC population. Former UASC 18 + (3k) No savings are now projected due to 4 placement extensions and 2 new clients. Other placements presently projected to the end of December are being reviewed and potentially could extend to the end of the financial year.	153
Other Minor Variations	(256)
Children's Services Total	2,563

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

Appendix A6

Schools Budget	Budget Variation October 2016 (£'000)
SEN Transport is currently anticipating the same level of expenditure as last year. This will mean that the service will be overspent by approximately £2.1m this year.	
Early Years. This service is reporting an underspend due to placements for 2 year olds and 3&4 year olds being less than anticipated. This is partly as result of a cut in promoting the 2 year old placements.	(2,008)
Reduction in DSG Early Years Block. Actual 16/17 allocation reflecting numbers as at Jan 2016 census lower than estimated. Offset by lower placement costs reported above	1,911
Special Education Needs	
Mainstream Tuition. At this early stage of the cycle, demand has been based on last year's figures. This is forecast to underspend by £90k	90
LA Special Day provision	297
Independent Day It is anticipated that there will be an increase in the number of children over and above the budgeted amount. This will result in an overspend of £1041k	1,041
Independent Residential. It is anticipated that there will be an increase in the number of children over and above the budgeted amount. This current overspend is projected to be £558k which is net of £932k expected contribution from health and social care.	558
School Revenue Budget The summer term SEN count has shown an increase in the number of Education, Health & Care Plans (EHCP) resulting in additional delegated funding of £270k. This overspend is offset by a reduction on delegated early years funding of £45k.	225
High Needs Contingency Contingency for high needs pressures not yet utilised but is expected to be fully used during the financial year (see School Budget Risks below)	(850)
Budgets with no/ minor variances	6
Total Variation – Schools Budget	1,270

Schools Budget Risks There are additional pressure areas in the Schools Budget, particularly in relation to SEN which are expected to result in additional costs later in the financial year. These include the expansion of Waverley School to create additional early years provision which is estimated to cost £300k in 16/17 and the ongoing increase in the cost of funding additional Education, Health and Care Plans for pupils in mainstream schools. The high needs contingency funding available had already been utilised so any additional pressure will result in a DSG overspend.

Treasury Management Cashflow Investments & Borrowing as at 31 October 2016

The Treasury Management position as at month end:

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
	£000's						
Long term borrowing	352,641	352,641	362,241	362,241	430,736	429,236	428,565
Short-term borrowing	86,000	63,000	64,000	81,000	89,000	89,000	74,000
Total borrowing	438,641	415,641	426,241	443,241	519,736	518,236	502,565
Total investments	28,490	16,695	28,150	7,325	74,375	62,050	40,500
Net debt	410,151	398,946	398,091	435,916	445,361	456,186	462,065
Increase in Net debt since 1 Apr 16		-11,205	-12,060	-846,067	35,210	46,035	51,914

Movement in debt

	30-Sep-16	Debt repaid	New debt	31-Oct-16
	£000's	£000's	£000's	£000's
Long Term PWLB	354,468		1,255	354,233
Long Term Commercial Loan	30,000	0	0	30,000
Long Term Local Authority	28,000	0	0	28,000
Long Term Salix Loan	1,462	(520)	0	942
Short Term Local Authority	89,000	(15,000)	0	74,000
Long Term LEEF	5,699	0	0	5,699
Long Term European Investment Bank	9,851	(151)	0	9,700
Total borrowing	518,480	(15,671)	1,255	502,574

London Borough of Enfield Investments

Financial Institution	Principal	Start Date	Effective Maturity	Rate
Call Accounts				
HSBC Call Account	5,950,000	n/a	On demand	0.40%
Svenska Handelsbanken	10,000,000	n/a	On demand	0.15%
Fixed Deposit Accounts				
Pension Fund	0	29/09/2016	05/10/2016	
Money Market Funds				
HSBC Sterling MMF	8,050,000	n/a	On demand	0.43%
Deutsche Bank	1,500,000		On demand	0.43%
Goldman Sachs	0	n/a	On demand	0.27%
Ignis Liquidity Fund	15,000,000	n/a	On demand	0.50%
Total - Investments	40,500,000		Average	0.36%
Number of Investments	5			

London Borough of Enfield Short Term loans

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
MILTON KEYNES COUNCIL	£10,000,000	01/12/2015	29/11/2016	0.60%	29
WEST SOMERSET DISTRICT COUNCIL	£2,000,000	15/01/2016	13/01/2017	0.56%	74
POLICE AND CRIME COMM WEST MIDLANDS	£5,000,000	29/01/2016	27/01/2017	0.65%	88
CHICHESTER DISTRICT COUNCIL	£2,000,000	28/01/2016	07/12/2016	0.60%	37
ISLINGTON COUNCIL	£5,000,000	28/01/2016	26/01/2017	0.65%	87
WEST YORKSHIRE COMBINED AUTHORITY	£10,000,000	15/04/2016	13/04/2017	0.55%	164
SEDGEMOOR DISTRICT COUNCIL	£5,000,000	02/06/2016	03/04/2017	0.60%	154
POLICE AND CRIME COMMISSION FOR WEST YORKSHIRE	£5,000,000	07/06/2016	07/04/2017	0.58%	158
WEST YORKSHIRE COMBINED AUTHORITY	£5,000,000	15/07/2016	18/04/2017	0.47%	169
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	11/07/2016	11/04/2017	0.49%	162
CHELMSFORD BOROUGH COUNCIL	£5,000,000	15/07/2016	14/07/2017	0.42%	256
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	19/07/2016	18/07/2017	0.39%	260
LONDON BOROUGH OF HILLINGDON	£10,000,000	30/08/2016	30/05/2017	0.35%	211
Total	£74,000,000		Average	0.53%	142

Savings Monitoring 2016/17
Summary Position - October

Appendix C

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
Regeneration & Environment	0	0%	0	0%	(2,180)	100%	0	0%	(2,180)
Finance, Resources & Customer	0	0%	0	0%	(331)	100%	0	0%	(331)
Housing, Health & Adult Social Care	(400)	6%	(4,557)	66%	(1,912)	28%	0	0%	(6,869)
Schools & Children's Services	(250)	7%	(84)	3%	(2,847)	90%	0	0%	(3,181)
Chief Executive	0	0%	0	0%	(300)	100%	0	0%	(300)
Total New Savings for 2016/17	(650)	5%	(4,641)	36%	(7,570)	59%	0	0%	(12,861)
									(12,861)