

Cabinet

Date: 19 September 2011

Subject: Business Plan Monitoring Report 2011/12

Lead officer: Paul Dale

Lead member: Mark Allison

Agenda Item 8 forward plan ref: 1060

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast underspend at year end of £2.9m; capital reporting and an update on corporate items and consider any relevant action that Cabinet wish to take in respect of variations.
- B. That Cabinet note the capital virements attached as Appendix 3B and request Cabinet to approve those over £100k.
- C. That Cabinet request Cabinet to approve the capital slippage from 2010-11 to 2011-12 attached as Appendix 3D
- D. Cabinet are asked to indicate which corporate performance indicators they wish to prioritise and those they wish to develop more strategically.
- E. That Cabinet comment on the new style of report and suggest if additional or different information should be included for future reports
- F. That Cabinet request Cabinet to agree the transfer of the following Schools Reserves, as agreed by the Schools Forum on 21st June 2011:

Schools Single Status	£0.304m
DSG Reserve	£2.496m
Total	£2.800m

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the second combined monthly financial and performance monitoring report for 2011/12. It contains the key business metrics required by senior management to manage the organisation. It is based on expenditure, income and activity to 31 July 2011 and represents the first third of the financial year. The report will be fine-tuned over the coming months to provide key decision making and monitoring information.

To aid understanding, key information will be provided in the report with additional detail contained within appendices. The report will cover the following areas:

- A. The financial reporting data relating to revenue budgetary control, showing a forecast underspend at year end of £2.9m (£4.7m forecast underspend reported last month); capital reporting and an update on corporate items and consider any relevant action that Cabinet wish to take in respect of variations.
- B. Capital virements attached as Appendix 3B
- C. That Cabinet comment on the new style of report and suggest if additional or different information should be included for future reports.

2. FORECAST REVENUE OUTTURN 2011/12 BASED UPON LATEST AVAILABLE DATA

- 2.1 The revenue budgetary control information contained in the following table summarises the corporate position, using the latest available information as at 31 July 2011.
- 2.2.1 Executive summary - As at July, the forecast is expected to be a £2.9m underspend compared to the current budget.

The following table summarises the position and Section 3 provides chief officer commentary on the pressures and variations.

	Original Budget 2011/12	Current Budget 2011/12	Year to Date Budget (July)	Year to Date Actual (July)	Full Year Forecast (July)	Forecast Variance at year end (July)	Forecast Variance at year end (June)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Department							
<u>3A. Corporate Services</u>	10,055	9,871	9,215	9,674	13,121	3,250	0
<u>3B. Children, Schools and Families</u>							
Dedicated Schools Grant	0	0			0	0	0
Local Authority Funded Services	40,141	40,300	57,231	47,473	39,912	(388)	(135)
<u>3C. Community and Housing</u>							
Adult Social Care	58,198	58,201	8,035	6,198	57,739	(462)	(462)
Libraries & Adult Education	3,009	3,009	1,554	1,508	3,009	(0)	0
Housing General Fund	1,715	1,715	704	94	1,618	(97)	(97)
<u>3D. Environment & Regeneration</u>	30,681	30,702	6,221	2,497	29,989	(713)	248
NET SERVICE EXPENDITURE	143,799	143,799	82,960	67,444	145,388	1,590	(446)
3E. Corporate Items							
Cost of Borrowing	20,857	20,857	6,952	597	14,214	(6,643)	(3,500)
Investment Inc.	(250)	(250)	(83)	(268)	(499)	(249)	(187)
Capitalisation	(1,500)	(1,500)	0	0	0	1,500	1,500
<i>Transfer to funding of 12/13</i>	0	0	0	0	5,392	5,392	2,000
Impact of Capital on revenue budget	19,107	19,107	6,869	329	19,107	0	(187)
<u>Pay and Price Inflation</u>							
Corporate Provision for Pay Award	428	428	0	0	0	(428)	0
Utilities Inflation Provision	841	841	0	4	341	(500)	(500)
<u>Contingency</u>	1,825	1,825	2	5	5	(1,820)	(1,820)
<u>Other Corporate Provisions</u>							
Government Grants	268	62	0	0	0	(62)	(268)
Depreciation and Impairment	(10,265)	(10,265)	0	0	(10,265)	0	0
Single Status	539	539	0	0	539	0	0
VAT Savings	0	0	0	0	(800)	(800)	(800)
Release of growth for loss of income from P3/P4	200	200	0	0	0	(200)	(200)
Bad Debt Provision	500	500	0	0	500	0	0
Cost of DR Recovery	70	70	0	0	70	0	0
Levies	888	888	285	284	888	0	0
New Homes Bonus	0	0	0	(552)	(552)	(552)	(552)
London Pensions Fund – Prov for deficit	132	132	0	0	0	(132)	0
Pension Fund	4,737	4,737	1,579	2,461	4,737	0	0
PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0
Council Tax Freeze Grant	(2,060)	(2,060)	(618)	(618)	(2,060)	0	0
Use of Reserves - VAT	(724)	(724)	0	0	(724)	0	0
Use of Reserves - Section 117	(100)	(100)	0	0	(100)	0	0
Corporate Savings-2010/11 under spend	(4,282)	(4,282)	0	0	(4,282)	0	0
Local Services Support Grant	0	0	0	(211)	0	0	0
TOTAL CORPORATE PROVISIONS	7,307	7,101	6,918	503	2,607	(4,494)	(4,327)
TOTAL GENERAL FUND	151,106	150,900	89,878	67,947	147,995	(2,904)	(4,773)
Funding							
Formula Grant:							
- NNDR	(50,888)	(50,888)					
- RSG	(15,729)	(15,729)					
Collection Fund	(2,065)	(1,859)					
Council Tax							
- General	(82,157)	(82,157)					
- WPC	(267)	(267)					
FUNDING	(151,106)	(150,900)	0	0	0	0	0

The following table shows the summary position for July, in subjective format.

	Current Budget 2011/12	Year to Date Budget (July)	Year to Date Actual (July)	Full Year Forecast (July)	Forecast Variance at year end (July)	Forecast Variance at year end (June)
Expenditure	£000	£000	£000	£000	£000	£000
Employees *	85,180	28,984	28,744	88,180	3,000	82
Premises Related Expenditure	7,922	3,443	2,389	7,778	(144)	0
Transport Related Expenditure	11,790	3,878	3,358	11,795	6	0
Supplies and Services	145,065	48,601	39,304	145,091	26	(701)
Third Party Payments	88,151	23,600	20,449	86,674	(1,478)	(280)
Transfer Payments	113,301	35,995	2,096	113,204	(97)	(97)
Support Services	34,756	557	501	34,756	(0)	0
Depreciation and Impairment Losses	10,266	0	0	10,266	0	0
Corporate Provisions	7,101	6,918	698	2,607	(4,494)	(4,327)
GROSS EXPENDITURE	503,532	151,975	97,539	500,350	(3,182)	(5,323)
Income						
Government Grants	(250,713)	(41,437)	(7,872)	(250,716)	(4)	0
Other Grants, Reimbursements and Contribs	(15,947)	(4,214)	(5,923)	(16,006)	(59)	0
Customer and Client Receipts	(50,180)	(15,092)	(14,258)	(49,842)	338	550
Recharges	(34,808)	(557)	(494)	(34,808)	0	0
Balances	(983)	(797)	(1,045)	(983)	0	0
GROSS INCOME	(352,631)	(62,098)	(29,591)	(352,355)	276	550
NET EXPENDITURE	150,900	89,878	67,947	147,995	(2,904)	(4,773)

* The employees figure now includes current redundancy payments/commitments to date

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against 2010/11.

Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2010/11.

Chart 1

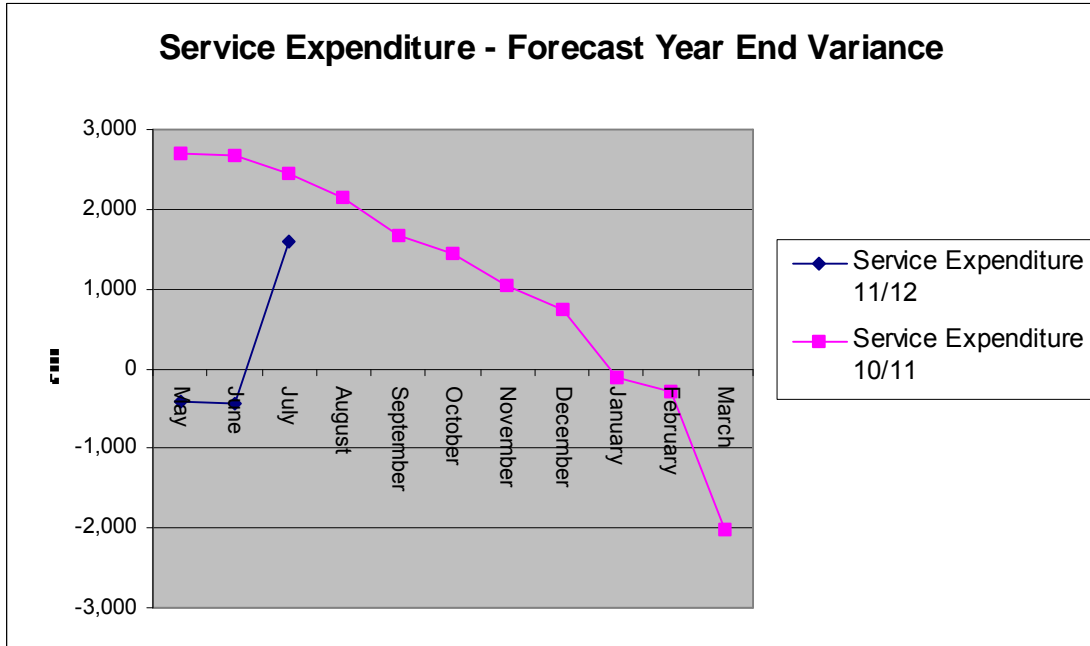
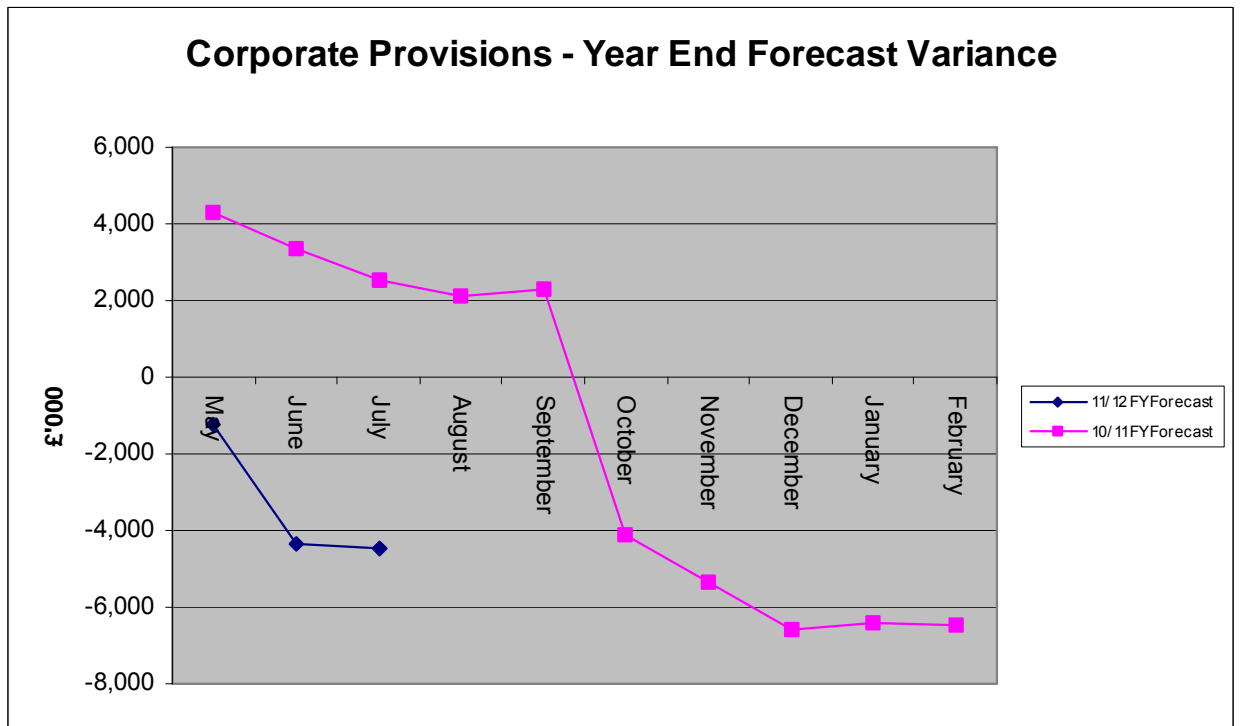


Chart 2



Charts showing the forecast year end variance for each department with a comparison against 2010/11 are attached as Appendix 5.

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

3.1 This section of the report provides a brief summary of each department's current budgetary control position.

(A) Corporate Services department

The department is forecasting an overspend of £3,250K at year end.

The main reason is the corporate redundancy cost of £2,580K and the £420k cost of the late implementation of the support services restructure.

The other £250k projected overspend is predominantly made up of corporate communications underachievement of income £96k, low demand for graphic design £90k, a reduced demand for printing work £60k and legal S106 income shortfall £47k. This is partly offset by underspends elsewhere.

Redundancy

The total redundancy cost for the financial year ended 31/3/2011 was £2,960K resulting in an overspend of £2,580k. An application will be made to capitalise the statutory element of this. The amount capitalised in 2010/11 was £440K.

Support Services Restructure

The delay in the implementation of the new structure has resulted in a current year unbudgeted cost of £420K.

Every effort will be made to identify savings to manage this overspend but due to the scale of the cost there may be a need to fund this from the corporate contingency or make a call on reserves.

Customer Services

The Corporate Communications income target relating to sponsorship, advertising and filming is projected to be underachieved by £96k based on current activities.

Demands for graphic design continues to be significantly lower than last year and this trend is expected to continue resulting in a forecast overspend of £90K.

Infrastructure and Transactions

The print room has experienced a fall in demand for both internal and external printing work. This is expected to continue and the shortfall on income is forecast to be £60k.

There is a budget pressure in Facilities for certain Civic Centre refurbishment costs which were budgeted as capital expenditure but do not meet the definition of capital. These costs will be charged to revenue in accordance with accounting guidelines but will put the department under pressure to come within budget. Some of these costs will be funded from the Facilities reserve but the balance of approximately £110k will need to be managed from compensating savings where possible.

Corporate Governance

Legal services are forecasting a shortfall on S106 and other income of £47k as a result of the economy.

The shared legal service with Richmond is expected to be effective from September with the Richmond staff being TUPE transferred to Merton. There are expected to be unbudgeted one-off recruitment costs for the Assistant Director of Corporate Governance post and vacant posts within the shared legal service of £20k.

Management Action

Officers will closely monitor the financial position of the areas identified above and will identify compensating savings where possible.

(B) Children, Schools and Families

At the end of July the department is expecting an under spend of £300,000 relating to Children Social Care and Youth Inclusion, and £88,000 relating to Education grants.

Dedicated Schools Grant pressures (DSG)

The DSG retained items are expected to remain within budget as Special Education Needs (SEN) placements is expected to be contained within existing budgetary provision.

The Schools Forum on 21 June 2011 agreed to retain reserves of £2.061 million within the DSG (£120 million gross budget) to smooth current and future years funding pressures. The Forum also agreed that £0.739 million relating to previous year DSG under-spends be paid out to the schools. These are to be transferred from the DSG Reserve (£2.496m) and the Schools Single Status Reserve (£0.304m)

Local Authority funded services

The demographic pressures and volatile nature of the children social care placement budgets mean that close monitoring and demand management is required on an on-going basis. At the end of July, the service anticipates under-spending to the value of £300,000 relating to independent fostering; mother and baby assessments; and leaving care placements.

There will be a one off under-spend on Education grants of £88,000 as a result of a prepayment of the first quarter monies in 2010/11.

It is expected that there will be a cost in relation to the cessation of the Connexions six borough arrangements. Some budget was put aside to cover the cost but we are not sure what the full affect will be until later in the year.

There have been several arrests of Merton young people made as a result of the riots at the beginning of August. This may result in additional children and young people being remanded into care, with consequent additional pressures on budgets. Some limited additional youth work is being initiated for the remainder of the summer holidays, to be funded from existing budgets, and which will impact to reduce currently predicted under spends. These issues will be closely monitored in the coming months.

Management Action

At the end of the first quarter some over and under spends were predicted by budget holders on their salary budgets for 2011/12. This will continue to be monitored closely.

(C) Community and Housing

The overall position at Period 4 is a projected underspend of £559k, no significant change from last month

Re f.	Community and Housing	Current Budget 2011/12 £000	Forecast Variance at year end (Jul) £000	Management Action identified to date £000	Forecast Variance at year end £000
2	Adult Social Care	54,735	(462)	0	(462)
3	Libraries and Heritage	2,044	0	0	0
4	Merton Adult Education	(55)	60	60	0
5	Housing General Fund	1,286	(97)	0	(97)
	Total Community & Housing	58,010	(499)	60	(559)

The main underspends reported are as follows:-

- £166k – Grant b/f as contribution towards savings target
- £151k - Special Projects
- £145k - Supporting People Grant
- £97k - Preventing Homelessness grant
- £559k**

Adult Social Care

Overview

The Social Care Management Team review the care package budgets monthly and identifies management action as appropriate.

The table below identifies the movement in care package numbers:

Activity Data – Care Package Numbers Service Area	No of Care Packages as at Jun 2011	No of Care Packages as at July 2011	Increase/decrease since Jun
Mental Health	189	187	(2)
Physical and Sensory	282	290	8
Learning Disabilities	343	342	(1)
Older People	1,689	1,703	14
Substance Misuse	7	3	(4)
No recourse to public funds	26	21	(5)
Total	2,536	2,546	10

Pressures

There is currently sufficient budget to cover current commitments. Due to the number of factors influencing care packages, the budgets are volatile and therefore at risk of significant fluctuations. This will continue to be monitored and any changes will be reported.

Salaries expenditure in some areas in Adult Social care are currently showing under-spends and are being monitored.

All income budgets and forecast for Adult Social Care, in particular client contributions are being reviewed.

An updated position on projected income for the year will be reported in the Period 6 monitoring report.

Management Action to date

The Adult Social Care management team reviews the financial commitment from care packages monthly. Any unexpected changes are investigated and corrective action taken where appropriate.

Libraries and Heritage

Overview

As at end of July 2011, although the section has to closely manage its limited resources, there is no overspend anticipated.

Merton Adult Education

Overview

As at end of July 2011, the section has £60k budget pressures . The Head of Service has drawn up an action plan to reduce teaching costs within LDD, review curriculum staff structures within Early Years, IT, Business and Mind and Body so as to achieve a balanced budget at year end.

Pressures

There is a risk that the department will not be able to achieve the level of income set in the budgets. This will be monitored closely throughout the year.

Housing General Fund

Overview

The overall position is difficult to predict so adjustments to the forecast may occur across the financial year. This is due to the service reviewing incentives under the rent deposit scheme and the overall impact of the Local Housing Allowance rates. However the impact is likely to be a favourable variance resulting in an under-spend.

The increase of £97k in the Preventing Homelessness grant received has been declared as an underspend.

(D) Environment and Regeneration

The department is currently forecasting an underspend of **£713k** at year end. There are three main areas of variance – Parking Services and Property Management are forecasting a significant overspend whilst large savings against budget are expected within Waste Services.

Areas of significance

Parking Services.

In recent years the greatest financial pressure on the Department has been the inability to achieve income estimates within the Public Protection & Development Division. This was recognised in the

2011-12 estimate process, when a growth item of £1.5m was agreed. £1.2m of this was added to the Parking Income base budget.

However the net overspend for the Parking Service for 2010-11 was £1.67m and a number of income budgets were increased by 2011-12 savings proposals. It is currently projected that there will be a net Parking overspend of **£225k** for 2011-12.

Property Management

The Property Management section is currently forecasting a shortfall in rental income of around **£200k**. The section is also currently incurring security costs with regard to safeguarding the property on Dorset Road prior to its sale, and are currently forecasting that this will result in a revenue cost of around **£100k**.

Waste Services

Although there are areas of pressure within Waste Services, notably shortfalls in Commercial income and possible increased agency staff costs due to new regulations, it is forecast that there will be a net underspend of **£1.110m** across this area. This is mainly due to a renegotiation of the index-linked SWLP contract costs, and a reduction in the levels of residual waste being taken to landfill.

Greenspaces

Negotiations are ongoing with members of the Greenspaces team and the unions to resolve a dispute relating to the pay rates for overtime preceding the adoption of single status. Provision is being sought for monies to resolve this, and allow an offer to be made to the staff concerned. It is not expected that this will impact on Departmental revenue budgets.

Management Action

The Parking Service Review was one of the first to be completed and it is hoped that the early introduction of some of the proposed measures will enable the projected shortfall for this area to reduce over the year.

Any other efficiency savings arising from Service reviews will be introduced within 2011-12 if practical to do so.

(E) Corporate Items

These budgets cover a wide range of significant areas including treasury management, contingency, contributions to past service deficiency on the pensions fund and contributions from government grants and use of reserves.

The assumptions underpinning budgets and projected outturn are contained in Appendix 1 and 2. The main areas of variance as at 31st July are:-

1. Impact of Capital on Revenue Budget

As indicated in section 4 of this report, it is now anticipated that the forecast capital expenditure for 2011/12 will be approximately 22% less than the budget. This will enable the programme to be funded in 2011/12 without the need for an increase in external borrowing which is significantly more expensive than internal borrowing. This means that forecast borrowing costs have reduced and with increased levels of investment income expected against budget, there has been an increase in the level of reported underspend in this area .

- (a) Capitalisation: As previously reported, it is considered that there will be insufficient scope within the Council's revenue expenditure to identify works that fit the latest accounting code of practice definition for capital and therefore there will be an adverse impact on the revenue budget.
- (b) Debt Redemption: At the start of the financial year, the Council redeemed debt totalling £14m. This debt was at an interest rate of 9.375% and was due to mature in 2019 and 2020. As part of the redemption a premium of £6.214m was paid, to be met from usable capital receipts. As a result of the redemption, Merton's average cost of debt reduced from 6.3% to 5.7% and there is a saving in borrowing costs in excess of £1m p.a.
- (c) Cost of Borrowing (net of investments): It is estimated that the impact of slippage, now estimated at 22%, coupled with anticipated levels of capital expenditure, and reduced interest costs resulting from debt redemption will result in a reduction in net borrowing and investment costs of £6.9 million. Addressing the capitalisation budget, will leave £5.4 million that can be utilised as part of future years capital financing requirements or utilised for other purposes as determined.

2. Pay and Price Inflation

The assumptions underpinning budgets and projected outturn are contained in Appendix 1. Based on projected inflationary levels it is envisaged that £0.928 million will remain unspent.

3. Contingency provision

The budget approved for 2011/12 includes a contingency of £1.820m. In the current economic climate and recession, this contingency will be essential to provide a buffer against the potential risks of overspending against the approved budget, particularly given the continuing high level of inflation. This will enable any decision to undertake additional expenditure to be based on a case by case basis and additional resources released accordingly which is in line with the risk based approach reported to Cabinet previously.

The use of contingency will be kept under review on a month by month basis.

4. Recent riots

Financial help in the form of hardship relief by reducing business rates will be offered to certain businesses whose trading has been interrupted as a result of the riots.

The Council will be contributing £30k to a Charitable Fund established to support small enterprises in recovering from the disturbances caused by the riots. The Fund will target grants on smaller businesses that have been affected in various ways but who cannot access adequate support from other sources e.g. premises not directly hit, but close to others that were and in a way that will have a significant impact on trading conditions in the short-term, and businesses which were under-insured.

Other corporate provisions

There are budgets and/or actuals for Single Status (£0.5m), Government Grants (£0.062m), VAT Savings (£0.8m), contingency for loss of income from P3/P4 (£0.2m), unallocated New Homes Bonus funding, and contribution to London Pension Funds deficit (£0.132m). It is probable that there will a net under spend against the budget for these but more work needs to be done to confirm this.

4. **CAPITAL**

A. **Capital Programme 2011/12**

Council on 2 March 2011 agreed the capital programme for 2011-15 and Cabinet on 18th July 2011 approved some revisions to reflect the addition of new schemes funded by grants and contributions identified for 2011/12, offset partly by the removal of schemes for capitalisation (£1.5M) and Transportation Enhancements (£2.5m).

Provisional slippage was included in the report to Cabinet and this has now been reviewed by the Capital Programme Board and final slippage is included in this report for approval. In addition, further new schemes funded by grants and contributions have been identified for 2011/12

and some schemes have been adjusted. These are summarised in Appendix 3a, together with explanations for the change.

The revised programme including slippage and adjustments, subject to approval, is summarised below:-

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Corporate Services	10.584	6.180	4.155	3.695
Children, Schools and Families	31.367	32.359	10.925	2.920
Environment and Regeneration	35.208	28.378	9.863	8.042
Community and Housing	2.563	0.437	0.287	0.287
Revised Capital Programme 2012-2015	79.722	67.354	25.230	14.944

B. Monitoring

Capital expenditure is £12.280m at the end of July 2011. This compares with a spend of £12.187m at the same point in 2010/11.

The budget shown in the table below includes slippage from 2010/11 of £16.3m.

Based on the monitoring information at 31st July 2011 the overall position is as follows:-

Revised Budget	Budget to Date	Actual to Date	Variance to Date	Manager's Forecast Variance at Year End
2011/12	31/07/2011	31/07/2011	31/07/2011	at Year End
£m	£m	£m	£m	£m
79.722	15.037	12.280	(2.757)	(17.372) (22%)

Following on, as indicated last month, the problem of year-end slippage has been an ongoing issue and as a result the Council's capacity to deliver its programme year on year has been exceeded. A review of the capital programme is required which will ensure that the issues caused by having a too ambitious programme in any single year are addressed. The current forecast year-end variance under budget,

which as well as slippage is made up of schemes-on-hold and real underspends, is effectively the same scale as the underspend carried forward from 2010/11. If the currently identified forecast year-end variance were to be approved as slippage into 2012/13, the effect would be to increase the programme to the undeliverable level of c.£85m in 2012/13.

The budget, MTFS and capital programme are being reviewed as part of the budget and business planning process for 2012-2016, and project managers have been asked to review their programmes to identify potential savings, leading to a reduction in the revenue costs of providing capital investment. The aim is to produce a capital programme which is affordable and sustainable over the medium to long term which is aligned to the Council's business plan objectives.

Appendix 3 provides further details on the capital programme supplemented as follows:

Appendix 3a - Funding Summary – This shows the movements in the programme since Cabinet on 18th July 2011 with reasons for changes.

Appendix 3b - Virements – Virements over £100,000 will require approval of cabinet.

Appendix 3c - Summary for report– This sets out the total line for each department

Appendix 3d – Slippage from 2010-11 into 2011/12– This sets out the slippage based on the decisions of the Capital Programme Board.

5. PERFORMANCE MONITORING

A. Corporate Performance Indicators

The July dashboard is available on the internet and intranet from 24 August 2011. This information is located at [Y:\Policy, Partnerships and Performance\PIT\Dashboard\2011-2012 Web Dashboards](#).

Corporate Performance

- There are 22 corporate indicators in total, one is reported biennially and two annually. Of the 19 indicators remaining, seven are red, two amber, one green, three blue and one is DNR. Three indicators, CRP 12, CRP19 and CRP 20 have not been measured this period and two indicators, CRP 17 and CRP 15 require clarification with regard to the annual target.
 - CRP 12 - will be reported once achievable cashable and non cashable savings have been determined.
 - CRP 19 – this measure needs to be refined slightly – new proposed definition is – The % of outstanding sundry debt (excluding HB, Local taxation and Parking) over 39 days old.

- CRP 20 - there are difficulties in setting a meaningful target for the amount debt written off. It is considered this is not the best measure in helping to drive improvement in performance due to the many variables that could affect the amount written off during a year. For these reasons, it is requested that this indicator is deleted. If it cannot be deleted the measure and target need to be defined to ensure meaningful data produced.
- CRP 17 - is also a service plan indicator within E&R but has a different annual target. Clarification is being sought as to which target should be used corporately.
- CRP 15 - we are currently calculating a target.
- For those indicators which are under performing (red and amber) and those which are exceeding their target, the table in Appendix 4aA details the management action commentary received.
- A responsible officer is currently being identified for CRP 08.

B. Local Authority Performance Solution

The Local Authority Performance Solution (LAPS) is a pan-London benchmarking tool which is led by London Councils and the London boroughs of Richmond and Lewisham. It provides comparative performance and expenditure information from London boroughs across a range of service indicators. The overall aim is to enable London local government to drive up comparable performance and value for money.

Attached as Appendix 4b is the LAPS Dashboard for the first quarter of 2011-12. Three indicators require investigation as they are either below, or significantly below, the London average and will be reported on next month.

C. Single data set

- A revision of the final version of the single data list from central government for 2011/12 has just been published. This list covers the requirements of central government departments and all arms' length bodies and other public bodies.
- There are now 193 collections on the list, including 59 from arm's length bodies and other public bodies. A further eight collections from the Electoral Commission which are not part of the single data list and four collections which are on a new 'pending' list, have also been added.
- The business planning team is currently reviewing the reporting arrangements and identifying if there will be any subsequent burden on the council with reporting.

6. RISK MANAGEMENT

A separate report will be provided to Cabinet next month. This report will cover two main areas:

- i) set out the body of work to be undertaken to the end of the financial year, and
- ii) present any updated departmental risk registers and make recommendations to update the corporate risk register.

7. COMMERCIAL SERVICES

Currently the Corporate Procurement Team are undertaking the following activity.

- Continuing to support the retender of the Transport Services contracts in E&R, valued at approximately £1m pa. This tender is being completed via the e-tendering system.
- Continuing to support the retender of the Highways Maintenance contracts in E&R, valued at approximately £8m pa. This tender is also being completed via the e-tendering system.
- Continuing to support the retender of the Home Support Services contracts in C&H, valued at approximately £6.5million pa. This tender is being completed via the e-tendering system.
- Supporting CS&F colleagues on the design and re-procurement of the service at the Intergenerational Centre in Mitcham.
- Improving the governance of procurement activity via a strengthened Procurement Board, operational procurement groups, improved Contract Register and an updated and improved version of the Contract Standing Orders in time for January 2012. Also recruiting new staff to the team to lead future procurement work.
- Delivering a series of 'Commercial Skills' workshops in October / November to 80+ staff across the council, who undertake procurement and contract management as part of their role.

8. DEBT COLLECTION AND MANAGEMENT

Debt Collection and Management is reported bi-monthly, two key indicators are part of the corporate performance indicators reported at Appendix 4.

9. PROGRESS ON DELIVERY OF SAVINGS FOR 2011/12

- 9.1 The savings proposed for 2011/12 of £15.127m are shown below:

	2011/12 £000	Savings achieved to date (July 2011)
SAVINGS		
Corporate Services & Chief Executive's	3,647	340
Children, Schools and Families	2,255	753
Environment and Regeneration	4,682	1,560
Community and Housing	4,543	1,769
TOTAL	15,127	4,422

A detailed summary of savings by department is attached as Appendix 6.

10. CONSULTATION UNDERTAKEN OR PROPOSED

10.1 All relevant bodies have been consulted.

11. TIMETABLE

11.1 In accordance with current financial reporting timetables.

12. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

12.1 All relevant implications have been addressed in the report.

13. LEGAL AND STATUTORY IMPLICATIONS

13.1 All relevant implications have been addressed in the report.

14. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

14.1 Not applicable

15. CRIME AND DISORDER IMPLICATIONS

15.1 Not applicable

16. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

16.1 Not applicable

17. APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix 1 – Pay and Price Inflation as at July 2011

Appendix 2 – Treasury Management: Outlook during 2011/12
Appendix 3 – Capital Budget Monitoring as at 30 July 2011
Appendix 3a - Funding Summary
Appendix 3b - Virements.
Appendix 3c - Summary for report
Appendix 4a – Corporate Performance Indicators July 2011
Appendix 4b - Merton – London Performance Dashboard
Appendix 5 – Departmental forecast variance charts
Appendix 6 -Savings summary by department

18. BACKGROUND PAPERS

18.1 Budgetary Control files held in the Corporate Services department.

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In 2011/12, the MTFFS includes 0.5% for increases in pay and 2% for increases in general prices, with additional amounts for extra inflation provision for those areas of high inflation (e.g. transport, care homes).

Pay:

2011/12 – The MTFFS approved by Council on the 2nd March 2011 includes 0.5% for increases in pay. This equates to £0.428m and is held as a corporate provision

Pay Claim 2011/12:

There have been no developments since last month.

Prices:

CPI annual inflation – the Government's target measure – was 4.4 per cent in July, up from 4.2 per cent in June.

There were upward pressures from a number of different 'areas', the largest being:

- upward pressure came from a wide variety of miscellaneous goods and services but by far the largest contribution came from financial services where, overall, fees rose this year but fell a year ago, particularly for arranging mortgages
- clothing & footwear where the upward effects came from men's and children's outerwear
- furniture, household equipment & maintenance with the most notable upward effects coming from most types of furniture & furnishings and household textiles
- housing & household services where the largest effect was due to increases in housing rent, particularly for social housing provided by registered social landlords

The only large downward pressure came from food and non-alcoholic beverages from a wide range of product groups, most notably from fish, fruit, and mineral waters, soft drinks & juices. A partially offsetting upward effect came from bread & cereals where prices continue to be volatile.

In the year to July, RPI annual inflation was 5.0 per cent, unchanged from the June figure. The main factors affecting the CPI also affected the RPI.

Outlook for inflation:

The Bank of England's latest Inflation Report for August 2011 indicates that CPI inflation remains well above the 2% target and "is set to rise further in 2011, boosted by increases in utility prices. Inflation is likely to fall back through 2012 and 2013 as the impact of the factors temporarily raising inflation diminishes and downward pressure from slack in the labour market persists."

The latest inflation forecasts for the UK economy, based on a summary of independent forecasts are set out in the table below:-

Source: HM Treasury - Forecasts for the UK Economy (July 2011)

2011 (Quarter 4)	Lowest Estimate %	Highest Estimate %	Average for group %
CPI	3.4	5.2	4.4
RPI	4.3	5.9	5.2
2012 (Quarter 4)	Lowest Estimate %	Highest Estimate %	Average for group %
CPI	1.3	3.5	2.2
RPI	2.3	5.3	3.4

Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Appendix 2

Treasury Management: Outlook during 2011/12

The scenario for 2011/12 so far has remained similar to that in 2010/11 and this is expected to continue for at least the next quarter. The continuing high level of inflation is cause for concern. On 4th August 2011 the Bank of England's MPC voted to maintain the Base Rate at 0.5%. The Committee also voted to maintain the level of Quantitative Easing at £200 billion.

Forecasts for Bank Base Rates, based on July 2011 are summarised in the following table:-

	End Q.3 2011	End Q.4 2011	End Q.1 2012	End Q.2 2012	End Q.3 2012	End Q.4 2012	End Q.1 2013	End Q.2 2013
Sector	0.5%	0.5%	0.5%	0.75%	1.0%	1.25%	1.5%	2.0%
Capital Economics	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
UBS	0.5%	0.5%	0.75%	1.0%	1.25%	1.5%		

The longer-term, capital, market is concerned by the prospect of future inflation and the risk of precipitate interest rate increases following from any devaluation of Sterling or downgrading of the UK's or borrower's credit status. This affects long-term borrowing costs and debt redemption prospects. A typical Public Works Loans Board (PWLB) borrowing cost for long-term funds is slightly more than c.5%, but this is expected to rise during the year but probably not until the final quarter.

1. CAPITAL BUDGET MONITORING AS AT 31 JULY 2011

This section on capital expenditure looks at:

- Capital expenditure and budgets in 2011/12
- Critical Schemes in 2011/12

1.1 Capital expenditure in 2011/12.

1.1.1 Capital expenditure is £12.3m at the end of July. This compares with a spend of £12.2m at the same point in 2010/11.

1.1.2 The budget shown in the table below includes potential slippage from 2010/11 of £16.3m. This draft slippage has now been approved by the Capital Programme Board, which took place on 22 July. Cabinet is asked to approve the slippage set out in Appendix 3d.

Revised Budget (incl slippage to be agreed)	Budget to Date	Actual to Date	Variance to Date	Dept's Year-end forecast	Dept's Year-end forecast variance
2011/12	31/07/2011	31/07/2011	31/07/2011	2011/12	2011/12
£000	£000	£000	£000	£000	£000
79.722	15.037	12.280	(2.757)	(62,350)	(17,372) (22%)

1.1.3 Each department's major items are described below:

1.1.3.1 Corporate Services – The major item of note in this department is that the year-end forecast has been reduced by £2m reflecting the reassessment of the Merton 2015 Transformation programme. This is discussed in more detail in paragraph 1.2.2 below.

1.1.3.2 Children, Schools and Families – As reported previously, this department has reprofiled its budgets so that £4.9m is anticipated to be spent in future years. Most of this relates to primary school expansions, however, £1.3m relates to Garden School.

1.1.3.3 Environment and Regeneration – This department is anticipating that £11.3m of the 2011/12 programme budget will be spent in future years. The majority of this is across all E & R services.

However, specific schemes being reprofiled into 2012/13 are Town Centre Improvements £0.7m and Transportation enhancements in Wimbledon, Morden and Mitcham town centres £2.4m. Schemes that have been reprofiled will be reviewed as part of the 2012-16 Capital Programme process.

1.1.3.4 Community and Housing – Nothing significant to note.

1.1.4 The tables at the end of this Appendix show:

Appendix 3a - Funding Summary – This shows the movements in the programme since Cabinet on 18th July 2011 with reasons for changes.

Appendix 3b - Virements – Virements over £100,000 require cabinet approval.

Appendix 3c - Summary for report– This sets out the total line for each department.

Appendix 3d – Slippage from 2010-11 into 2011/12– This sets out the slippage based on the decisions of the Capital Programme Board.

1.2 Critical Schemes in 2011/12

1.2.1 At the March 2011 CMT meeting, it was decided to continue with detailed reporting of the authority's critical capital projects. The schemes to be monitored were agreed as the same schemes monitored in 2010/11 but with the addition of the IT schemes, particularly Merton 2015 Transformation.

At the time of writing this report, the position is unchanged from the July report. All such schemes are on track with the exception of Merton 2015.

1.2.2 **Merton 2015 - Business Improvements and I&T**

In respect of the Business Improvement schemes, some are being successfully implemented e.g. CRM, FMIS upgrade, e-payments, EDRMS resilience and the Capital reporting project. However, a substantial part of the budget has still not been allocated to individual schemes. The process for this allocation will commence with a detailed report to Merton 2015 officers setting out the results of a review by the Business Improvement team into the authority's business requirements and concomitant system development needs. This will be followed by a report to October Scrutiny. Thereafter the Business Improvement schemes will be reconstructed with revised payment profiling in 2011/12 and revised capital programme proposals feeding into the 2012-2016 Capital Programme process.

In respect of IT schemes, the funding for "Development of shared services through cloud computing", budget £982k, is being reviewed in the light of feedback and comments from the latest Capital Ambition Board.

1.2.3 Children, Schools and Families

The most significant capital investment area for the next three years will continue to be the expansion of Merton's primary schools. The CSF capital programme is sufficiently funded to complete schemes currently under construction and implement further major primary school expansion projects. The 2011/12 programme for primary schools expansion and other major projects is set out below:

CSF CAPITAL PROGRAMME - MAJOR PROJECTS

With regard to projects monitored in CMT reports in 2010/11 the following is an update of schemes still under construction/recently completed:

SEN Centre of Excellence: Scheme is to provide a new secondary phase special school for St. Ann's School for children with complex needs, with the current building reverting to primary age only. Progress Summary: Completed: The project has been successfully completed and the building is now occupied, with a moving-in ceremony undertaken in May. An official opening is planned for October.				
Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
1,568	358	237	(121)	1,558

Wimbledon Chase Primary School Expansion from 420 to 630 places Progress Summary: The main works have been completed and the building was occupied immediately after the May half term. Final works required to be undertaken during the school summer holidays will be completed in August 2011. The use of any savings on this scheme, after allowing for retention monies carried forward to 2012/13, will be considered in respect of the overall requirements of the Primary Expansion Programme and the Capital Programme review for 2012-16.				
Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
1,315	863	837	(26)	1,165

Hollymount Primary School
Expansion from 210 to 420 places
Progress Summary: Project on Schedule for building to be occupied in March 2012 and full completion in September 2012.

Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
3,470	729	631	(98)	2,440

Joseph Hood Primary School
Expansion from 210 to 420 places
Progress Summary: On schedule for phase one to be completed for September and completion of phase 2 for September 2012.

Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
4,150	924	565	(359)	3,435

Benedict Primary School
School suitable to return to accommodating 420 places
Progress Summary: On schedule for phase one to be completed for September and completion of phase 2 for March 2012 and phase 3 September 2012

Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
1,835	574	562	(12)	1,108

Former Royal Sun Alliance Sport Ground
Provision of pavilion and bringing grounds back into use for Raynes Park High School in exchange for Oberon
Progress Summary: Project just commenced on site for completion in April 2012

Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
1,361	217	159	(58)	1,361

Further funded primary school expansion major projects are being planned for 2011/12 and are being phased as appropriate to ensure sufficient buildings are available for pupils in the expanding schools, and subject to legal process on school expansion. The following is a summary of all the schemes increasing by 1 form of entry (eventually an additional 210 places per school each across all year groups): (More financial detail will be provided on these schemes when the detailed budgets are available.

All Saints CE Primary School /South Wimbledon Centre - Extra class on All Saints site on schedule for completion for September 2011. Design work and consultation for South Wimbledon Centre planned for the October.

Aragon Primary School - Sufficient classrooms available through adaptation for September 2011. In design phase for major scheme

Cranmer Primary School - Sufficient classrooms available through temporary provision from September 2010 to July 2013. In design phase for major scheme; statutory consultation undertaken.

Dundonald Primary School - Extra class provided following additional demand through existing accommodation for September 2011. In the middle of statutory consultation on permanent expansion. Decision on way forward due to go to cabinet on 19 September 2011.

Gorringe Park Primary School - Sufficient classrooms available through adaptation for September 2011. In design phase for major scheme. Statutory consultation to be undertaken in the autumn.

Liberty Primary School - Sufficient classrooms available through adaptation for September 2011. In design phase for major scheme. Statutory consultation to be undertaken in the autumn

Singlegate Primary School - Sufficient classrooms available on a temporary basis for September 2011. In design phase for major scheme. Statutory consultation to be undertaken in the autumn.

St. Mary's Primary School - Sufficient classrooms available through adaptation of former Community Services building for September 2011. In design phase for phase 1 of major scheme. Statutory consultation undertaken

William Morris Primary School - Sufficient classrooms available for September 2011 - a phased adaptation scheme planned to allow the school to return to 420 capacity.

Wimbledon Park - Temporary classrooms on schedule for occupation in September 2011. In design phase for major scheme. Statutory consultation to be undertaken in the autumn.

Hillcross - Extra class, following additional demand, provided through adaptation for September 2011. Design work on feasibility of permanent expansion to commence in September.

The Priory - Extra class, following additional demand, provided through single temporary classroom for September 2011. No plans for permanent expansion.

1.2.4 Transport for London, Highway Maintenance and Footway Maintenance

HIGHWAYS MAINTENANCE – BOROUGH RDS

087P SS&W ML Description of Project (S)				
Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
1,578	728	733	5	1,578
Maintenance (re-surfacing or reconstruction) of the Borough's non principal classified and unclassified roads (residential roads). The Carriageway Planned Maintenance Programme contains 27 carriageway resurfacing schemes across the borough. The list of schemes is available on Merton's Website roadwork's page.				
At 31 July 2011 the following roads have been progressed: Merton road, Burlington road, Church road, Briston road, Cannon Hill lane, Haydon Park Road, Dorien Road, Kingsmead Avenue, Malmesbury Road, Palmerston Road, Russell Road, Sunnymead Avenue, Tavistock Crescent, Tonstall Road, Waterfall Road. These roads should be completed or nearing completion.				

FOOTWAY MAINTENANCE – BOROUGH RDS

Description of Project (S)				
Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
1,074	140	224	84	1,074
Planned footway maintenance on borough roads. The footway maintenance programme is aimed at footway renewal following safety and condition inspections. The programme identifies 13 roads across the borough requiring footway renewal works.				
At 31 July 2011 the following ways are either complete or in progress: Abbey Road, Rosemead avenue, Sunny Mead avenue, Pentlands Close, The Drive.				

TRANSPORT FOR LONDON SCHEMES				
Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
4,972	782	1415	633	4,972
<p>The Transport for London allocation for 2011/12 is aimed at developing transport improvement schemes under the heading of “Corridors” and “Neighbourhoods”, providing “Safer Routes to Schools”, reducing collisions, developing the “Cycle Network”, improving road safety with “Smarter Travel”, provision for electric vehicles infrastructure and contributing to “Borough” and “Partnership” schemes. The “Major Schemes” programme (£330k) will contribute to deliver the “Destination Wimbledon” Project, which is aimed at improving accessibility and streetscape improvement in Wimbledon Town Centre. The “Principal Roads” programme (£414k) is planned for Carshalton Road (Goat Rd to Crammer Rd), Merton Road (Broadway to Merton High St), Morden Road (Ravensbury Grove to Morden Gardens).</p>				
<p>As at 31 July:</p> <p><u>Destination Wimbledon update:</u> Phase 3 of the scheme, relating to the introduction of a new forecourt area outside of the station, is substantially complete. Cycle parking facilities have been introduced in this area, and benches, planting, lighting and a public art feature will be implemented in forthcoming months. In addition, further complementary measures have taken place including a new crossing facility adjacent to the forecourt, footway enhancements, perch benches, cycle parking and raised entry treatments.</p> <p>Phase 4 of the scheme, relating to improvement works at the Alexandra Road junction, commenced on 25th July. This element of the works is planned to be substantially complete before the end of the school holidays.</p> <p>Further phases to commence in late summer with scheme completion by spring 2012.</p> <p><u>Strategic Corridor Mitcham update:</u> Traffic & Highways and Future Merton officers are working collaboratively on developing a programme of public realm improvements in Mitcham that will take into account the various funding streams in the area, including the LIP money and Section 106 developer contributions. The improvements will be designed to address specific issues associated with the quality and function of the public realm, whilst complimenting future objectives associated with town centre regeneration and gyratory removal.</p>				

1.2.5 “Replacement of Fleet Vehicles” and “Replace Large Waste Collection Vehicles”

Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Managers Year End Forecast
£000s	£000s	£000s	£000s	£000s
4,182	1850	1,689	(161)	3,748

Although the manager’s year end forecast is for the only variance to be the savings on hold of £434k, the budget is being reviewed as some savings have been made in the vehicles’ procurement.

Since the introduction of the authority’s policy of funding vehicle purchases through prudential borrowing rather than leasing, these have become major capital schemes in the programme. Both vehicle budgets relate mainly to vehicles for Waste Services, either through the requirements of the London Emission Zone or the authority’s waste collection strategy.

As previously reported, the ordering of the Food Waste Collection Vehicles (approximately £250K) was on hold pending a Cabinet decision. The Cabinet decision is still pending with a report due to go to the September Cabinet with recommendations depending upon the outcome of the SLWP procurement.

Most of the large Refuse Collection Vehicles have been delivered and the vehicles are in the process of being fitted with GPS tracking and advertising grippers to the side of the dustcarts.

**CAPITAL PROGRAMME 2011/12:
CHANGES SINCE CABINET 18/07/2011 APPENDIX 3a**

	Funded by Borrowing £000s	Funded by Grant £000s	Total £000s	Comment
Cabinet 18/07/2011	41,939	20,819	62,758	
<u>Budget changes since Cabinet 18/07/2011</u>				
Potential Slippage	16,337	-	16,337	
New funding - Virtualisation (IT)		43	43	Additional contributions received for this scheme.
S106		61	61	5 new bids approved (B609 -B613) totalling £86K. Reduction in 2 other S106 bids where money is no longer available, totalling £25K reduction. Overall movement (86-25= 61K)
Contributions from schools - asbestos surveys		39	39	Additional contributions received from schools totalling £39K
CCTV		(50)	(50)	£50K was match funding for a scheme that is no longer required.
TFL		10	10	New funding from TFL for the Car Clubs expansion programme
New funding - PCT grant HIV/Aids project		510	510	New grant funding received to fund Merton's HIV/Aids project.
Additional SALIX funding (invest to save)	80		80	Additional SALIX funding has been confirmed by Facilities
Adjustment to grant funding - Devolved Formula Capital		(66)	(66)	
Capital Programme 2011/12 (as at 31/07/2011)	58,356	21,366	79,722	

VIREMENTS

Corporate Services	2011/12 Budget	Slippage	Virements	Revised 2011/12 Budget
	£000s	£000s	£000s	£000s
Infrastructure&Transactions				
Connect to N3 Netwrk NHS Spine	0	14	130	144
IT Equipment	849	226	-87	988
IT Strategy - I&T	44	279	7	330
Transformation (IT) - I&T	0	0	650	650
Business Improvement				
CRM / Self Service	44	53	93	190
Livelihood Updated	99	0	-99	0
Streetworks Permit	52	0	-44	8
Transformation (IT) - Unallocated	2,355	584	-650	2,289
FM Capital Works				
Civic Centre refurbishment	556	306	4	866
FM Capital Works - Facilities	685	515	-14	1,186
DDA - Access to Buildings - Facilities	21	159	10	190
TOTAL	4,705	2,136	0	6,841

Children Schools and Families	2011/12 Budget	Slippage	Virements	Revised 2011/12 Budget
	£000s	£000s	£000s	£000s
Hollymount Permanent expansion	2,900	531	39	3,470
Pupil Growth - Additional Expansion (Unallocated)	6,860	7	-357	6,510
Priory School	0	0	265	265
St Ann's Primary Phase	349	11	92	452
Pupil Growth	0	42	-39	3
TOTAL	10,109	591	0	10,700

Environment and Regeneration	2011/12 Budget	Slippage	Virements	Revised 2011/12 Budget
	£000s	£000s	£000s	£000s
Leisure Centre Improvement	58	0	23	81
Wimbledon Theatre Refurbishment	0	79	-23	56
Street Scene Improvement Programme	2,331	921	-15	3,237
Garth Road Workshop	0	0	15	15
TOTAL	2,389	1,000	0	3,389

CAPITAL EXPENDITURE 2011/12
SUMMARY OF OVERALL POSITION AS AT REPORTING PERIOD 4 Appendix 3c

	Revised 2011/12 Budget	Budget to Date	Actual to Date	Variance to date	Dept's Year End Forecast	Actual Spend to date as a % of Budget to date	Forecast year end variance
	£000s	£000s	£000s	£000s	£000s		£000s
CS	10,584	1,921	1,233	-688	8,104	64%	-2,480
CSF	31,367	6,016	4,473	-1,543	27,837	74%	-3,530
E&R	35,208	6,834	6,506	-328	23,942	95%	-11,266
C&H	2,563	266	68	-198	2,467	26%	-96
Total	79,722	15,037	12,280	-2,757	62,350	82%	-17,372

**CAPITAL BUDGETS 2011/12
SUMMARY OF SLIPPAGE APPENDIX 3d**

	Current 2011/12 Budget (Assuming virements agreed) £000s	Slippage £000s	Revised 2011/12 Budget £000s
CS	6,653	3,931	10,584
CSF	23,439	7,928	31,367
E&R	31,448	3,760	35,208
C&H	1,845	718	2,563
Total	63,385	16,337	79,722
<u>Reconciliation of adjustments for grant funded items included in revised budgets</u>			
St Catherine's site – PCT		2,088	
5 Clifford Avenue – PCT		346	
Devolved Funding – CLG grant		1,300	
ICT Harnessing Technology – CLG grant		-275	
Other		15	
Potential Slippage – as reported to Cabinet 18 July 2011		19,811	

**CAPITAL BUDGETS 2011/12
SLIPPAGE REPORT**

Corporate Services	Current 2011/12 Budget (Assuming virements agreed)	Slippage	Revised 2011/12 Budget
	£000s	£000s	£000s
Scheme Description			
Infrastructure&Transactions			
Connect to N3 Netwrk NHS Spine	130	14	144
Disaster recovery	107	290	397
IT Equipment	762	226	988
IT Strategy - I&T	51	279	330
PABX	80	106	186
Development of shared services through cloud computing	650	332	982
Business Improvement			
CRM / Self Service	137	53	190
Document Management - Contractual	0	210	210
e-procurement	136	29	165
IT Strategy - BI	50	76	126
Transformation (IT) - Unallocated	1705	584	2289
Other Schemes			
Transformation (IT)	0	2	2
IT Strategy	0	31	31
Replace Providerlink / Homecare Rostering / Scheduling	0	139	139
Corporate			
Redundancy Payments	400	32	432
FM Capital Works			
Civic Centre refurbishment	560	306	866
Energy Utilities Invest to Save	100	46	146
Invest to Save schemes - General	179	24	203
FM Capital Works - Facilities	671	515	1186
FM Capital Works - Leisure	0	59	59
DDA - Access to Buildings - Facilities	31	159	190
DDA - Access to Buildings - Leisure	0	76	76
CHP Equipment	0	343	343
TOTAL	5,749	3,931	9,680
Schemes with no slippage	904	0	904
REVISED TOTAL	6,653	3,931	10,584

**CAPITAL BUDGETS 2011/12
SLIPPAGE REPORT**

Children, Schools and Families	Current 2011/12 Budget (Assuming virements agreed) £000s	Slippage £000s	Revised 2011/12 Budget £000s
Scheme Description			
Aragon Expansion	100	2	102
Benedict Expansion	1,710	125	1,835
Bishop Gilpin New Classroom	0	190	190
Cranmer Expansion	100	44	144
Hollymount Permanent expansion	2,939	531	3,470
Joseph Hood Permanent expansion	3,705	445	4,150
St Thomas of Canterbury expansion	0	13	13
Pupil Growth - Additional Expansion (Unallocated)	6,503	7	6,510
St Ann's Primary Phase	441	11	452
Garden PCP	1,900	164	2,064
Links PCP	-10	87	77
St Mark's Primary PCP	0	24	24
SS Peter & Paul PCP	900	99	999
William Morris PCP	100	50	150
Wim College catering classroom	0	86	86
West Wimbledon SEN project p2	0	59	59
Bond electric wrk/asbestos rmovl	0	31	31
Gorrington Park repointing	0	11	11
Hatfield playground works	0	6	6
Hillcross boiler renewal	0	37	37
Lonesome heating & playground	0	6	6
Merton Abbey rewiring	0	38	38
Pelham rewiring	0	5	5
Stanford roofing & tarmac	0	18	18
Cricket Green fascia board	0	81	81
Melrose pitched roof renewal	0	39	39
Condition surveys	0	6	6
Retention	0	43	43
Abbotsbury	0	5	5
Benedict	0	2	2
Haslemere	0	5	5
St Anns	0	25	25
Melrose	0	3	3
Modernisation	0	87	87
Devolved Formula Capital	298	685	983
St Ann's new build (plus new targeted capital)	0	1116	1,116
Wimbledon Chase Expansion	0	1315	1,315
Holy Trinity Expansion	0	34	34
Poplar PCP	0	63	63

CAPITAL BUDGETS 2011/12 SLIPPAGE REPORT	Current 2011/12 Budget (Assuming virements agreed) £000s	Slippage £000s	Revised 2011/12 Budget £000s
Children, Schools and Families			
6th Forms	0	454	454
New Pupil Places - Garfield	0	222	222
Extended schools	0	40	40
Schools Access Initiative Inclusion	70	70	140
Intergenerational Centre	0	255	255
Aiming High	0	3	3
8-13 Play Spaces	0	8	8
Adventure Playground	0	31	31
OLM Additional Software Licences	0	60	60
ICT Harnessing Technology Grant	0	264	264
S106 Aragon School gates	0	1	1
St John Fisher Governor's 10%	0	1	1
Youth Capital Fund	0	3	3
Youth Centre Buildings	0	30	30
School Meals Kitchens	0	311	311
SEN - Melrose	0	23	23
Raynes Park Sports Pavilion	1,278	83	1,361
Cricket Green Site	0	72	72
St Marks CC	0	31	31
Childrens Centres	0	188	188
Modernisation - Other	0	42	42
Primary Capital Programme	0	130	130
Behaviour Unit	0	12	12
Pupil Growth	-39	42	3
School Asbestos Surveys	39	-39	0
Small Breaks for Disabled Children	117	-4	113
TOTAL	20,151	7,928	28,079
Schemes with no slippage	3,288	0	3,288
REVISED TOTAL	23,439	7,928	31,367

**CAPITAL BUDGETS 2011/12
SLIPPAGE REPORT**

Environment and Regeneration	Current 2011/12 Budget (Assuming virements agreed) £000s	Slippage £000s	Revised 2011/12 Budget £000s
Scheme Description			
Earmarked Schemes - Transport for London	6,000	-1028	4,972
Leisure Services Condition of Parks, Open Spaces & Buildings	663	-18	645
CCTV and Anti-Social Behaviour (ASB)			
Crime Reduction, ASB & Drugs - funded by the Home Office	-55	55	0
CCTV	120	178	298
Environmental Health			
Disabled Facilities Grant	1,110	108	1,218
Private Sector Housing Programme	1,828	-327	1,501
Greenspaces			
Boundary fencing and painting to raise the standard of Parks to Greenflag level for priority sites	0	16	16
Bridge inspection surveys in Parks	10	10	20
Cemetries	0	312	312
New pavilion at Abbey Recreation Ground	46	255	301
Refurbishment of London Road public, staff and disabled toilets	0	55	55
Repairs and replacement Lighting in Parks	0	6	6
Upgrade access paths around the main routes at Cannizaro Park	0	40	40
Wall repairs at Church lane playing fields and John Innes Park	0	10	10
Wimbledon Park drainage improvements	40	21	61
Works to prevent access by Travellers onto Parks and Open Spaces	0	10	10
Trees for Cities Programme	25	4	29
Highway Maintenance			
Bridge Inspection	31	-3	28
Bushey Road bridge repair	230	48	278
Demand for Surface Water Drainage - Flooding	59	9	68

CAPITAL BUDGETS 2011/12 SLIPPAGE REPORT	Current 2011/12 Budget (Assuming virements agreed)	Slippage	Revised 2011/12 Budget
	£000s	£000s	£000s
Environment and Regeneration			
Highways bridges and structures improvements	649	78	727
Highways Maintenance	1,570	8	1,578
Public Rights of Way Improvement Plan	20	9	29
Repairs to Footways	1,052	22	1,074
Selby bridge treatments	0	46	46
Wimbledon Bridge	0	239	239
B340MOSS rpt (land Rutlish Rd)	0	4	4
B497/8 Lombard Rd Improvements	0	46	46
B501 Langley Rd resurfacing	0	14	14
River Wandle Footbridge	0	36	36
Leisure Centres			
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	600	56	656
Leisure Facilities and Support Services			
Wimbledon Theatre Refurbishment	-23	79	56
Public Art Work	0	20	20
Big Lottery Play Areas	0	27	27
Vestry Hall	0	1	1
On and Off Street Parking			
Parking management - CPZ; disabled parking bays & waiting restrictions	452	51	503
Parking	15	242	257
Handheld Terminals - Parking	100	-78	22
St Marks Car Park	0	33	33
Plans and Projects			
Climate Change Initiatives	240	110	350
Property Management and Review			
WCA investment	0	50	50
Acquisitions Programme	0	44	44
Invest to Save	140	-53	87
P3 Site	0	4	4
Regeneration Partnerships			
Investment In Deprived Areas - East Merton.	200	123	323
Investment in industrial estates to create high-tech industrial park for key sectors	450	50	500
Regeneration	0	241	241
Town Centre Improvements	1,295	82	1,377

CAPITAL BUDGETS 2011/12 SLIPPAGE REPORT	Current 2011/12 Budget (Assuming virements agreed) £000s	Slippage £000s	Revised 2011/12 Budget £000s
Environment and Regeneration			
Mitcham means Business	100	150	250
Queensmere Road	0	5	5
Street Scene			
Street Scene Improvement Programme	2,316	921	3,237
Street tree programme (25 year programme)	150	106	256
Street Lighting			
Street Lighting Replacement Programme	645	15	660
Traffic and Parking Management			
20's Plenty & Area Traffic Calming	96	90	186
Area Traffic calming measures/investigation	190	76	266
Boroughwide waiting restrictions	1	6	7
Footway parking - policy/pilot schemes	-49	49	0
Traffic surveys and safety measures/investigations	76	67	143
Traffic Lights	272	1	273
Wimbledon Area Traffic Study	414	-2	412
Updating Existing 20MPH Zones	0	22	22
Church Road/Liberty Avenue Traffic Consultation	0	75	75
Transport Planning	0	27	27
Transport and Plant			
Replacement of Fleet Vehicles	968	232	1,200
Public Transport Infrastructure	275	87	362
Waste Operations			
Alley Gating Scheme - Fly Tipping	50	10	60
Planned Maintenance of Re-use/recycling Sites	40	6	46
Street Waste Collection Machines	0	200	200
Waste Phase B requirements - Replace Large Waste Collection Vehicles and Purchases	2,899	78	2,977
Waste Services	120	-80	40
Other			
Completion of the mobile working initiative	0	50	50
50 Montgomery Close	0	11	11
Rathbone Training Centre	-20	20	0
Haydons Road	0	1	1
Recycle a Cycle	0	4	4
Wayfinding Schemes	0	4	4

CAPITAL BUDGETS 2011/12 SLIPPAGE REPORT	Current 2011/12 Budget (Assuming virements agreed)	Slippage	Revised 2011/12 Budget
Environment and Regeneration	£000s	£000s	£000s
Sports Initiative	0	80	80
New Projects E&R	0	20	20
Marathon Trust BMX Track	0	60	60
Mitcham Junction Network Rail	0	25	25
TOTAL	25,410	3,760	29,170
Schemes with no slippage	6,038	0	6,038
REVISED TOTAL	31,448	3,760	35,208

**CAPITAL BUDGETS 2011/12
SLIPPAGE REPORT**

Community and Housing	Current 2011/12 Budget (Assuming virements agreed) £000s	Slippage £000s	Revised 2011/12 Budget £000s
Scheme Description			
Works to Merton Adult Education Centre to facilitate expansion of Joseph Hood School	0	53	53
Improving Information Management	0	10	10
Meopham Road	0	80	80
Regeneration	0	3	3
5 Clifford Avenue - Contribution from Sutton & Merton PCT	0	104	104
St Catherine's School	0	373	373
JMC LD Day Centre	0	21	21
Libraries	0	29	29
London Libraries Consortium	0	45	45
TOTAL	0	718	718
Schemes with no slippage	1,845	0	1,845
REVISED TOTAL	1,845	718	2,563

Corporate Indicators - July 2011 performance

Appendix 4a

PI Code & Description	June Target	June YTD	July Target	July YTD	Annual Target	Polarity	Progress	Management Action
CRP 05 ~ % of agency staff as a proportion of the workforce	6	7.52	6	6.35	6	Low	▲	Stricter controls on ordering of new agency staff are being proposed as part of changes introduced to meet requirements of Agency Workers Directive
CRP 07/LCS 21 ~ Length of service of agency staff- % of all agency staff with service over 12 months (reported monthly in arrears)	20	30.57	20	30.81	20	Low	▲	Stricter controls on ordering of new agency staff are being proposed as part of changes introduced to meet requirements of Agency Workers Directive
CRP 08 ~ Number of invoices below £100 as a % of the total number of invoices	15	26.23	15	26.17	15	Low	▲	Responsible officer for this indicator to be decided
CRP 09 ~ % of invoices requiring avoidable trouble shooting	25	30.45	25	30.66	25	Low	▲	Business Partners now responsible for this indicator & due to discuss issues re. this indicator with respective depts. at their next DMTs
CRP 10 ~ % Staff leaving the authority with less than 2 years service	2.52	6.03	3.36	8.38	10	Low	▲	
CRP 16 ~ The level of CO2 emissions from the council's main operational buildings (tonnes)	371	375.23	469	494.23	1500	Low	▲	CHP installation at civic centre anticipated to be operational late June but not yet operational. Means emissions are approx. 30 tonnes per month above target. These additional emissions can't be recouped - there is no possibility of making this up later in the year. There are also some "above target emissions"

Corporate Indicators - July 2011 performance

Appendix 4a

PI Code & Description	June Target	June YTD	July Target	July YTD	Annual Target	Polarity	Progress	Management Action
								resulting from retention of Gifford House (which was scheduled for closure when the targets were set). Cofely have stated they will complete project by 19 August - but this is unlikely. Damages payments for late completion are currently being levied on them to encourage prompt completion
CRP 14/LCS 43 ~ % of ombudsman complaints answered in 28 days	100	50	100	66.67	100	High		One response has unfortunately gone late due to an error when received. That error will not be repeated
CRP 01 ~ % of black and ethnic minority employees	19.15	18.75	19.25	18.71	22	High		HR will continue to work with departments to ensure outcomes of EIAs are monitored & action plans implemented especially when service reviews are undertaken
CRP 18 ~ % of Council Tax collected	29.9	30.32	39.5	39.33	96.5	High		If no improvement in August a revised recovery timetable will be implemented issuing reminders for one missed instalment rather than two
CRP 13 ~ % of Positive and Neutral Coverage Tone	85	91.84	85	90.06	85	High		
CRP 02 ~ % of disabled employees	1.5	3.81	2	3.75	6	High		HR will work with the Disability Employee forum to encourage staff to update their records. Amended reasonable adjustment forms will be launched in Sep.
CRP 04 ~ Average number of working days lost to sickness	2.01	1.77	2.68	2.49	8	Low		Definition to be reviewed & compared with LAPS definition as discrepancy with performance. HR will continue to work with DMTs to focus on top 40 staff on long term sick & provide interventions to enable their return to work.
CRP 06 ~ % of vacant posts being covered by agency staff (reported monthly in arrears)	50	26.36	50	33.93	50	Low		

Corporate Indicators - July 2011 performance

Appendix 4a

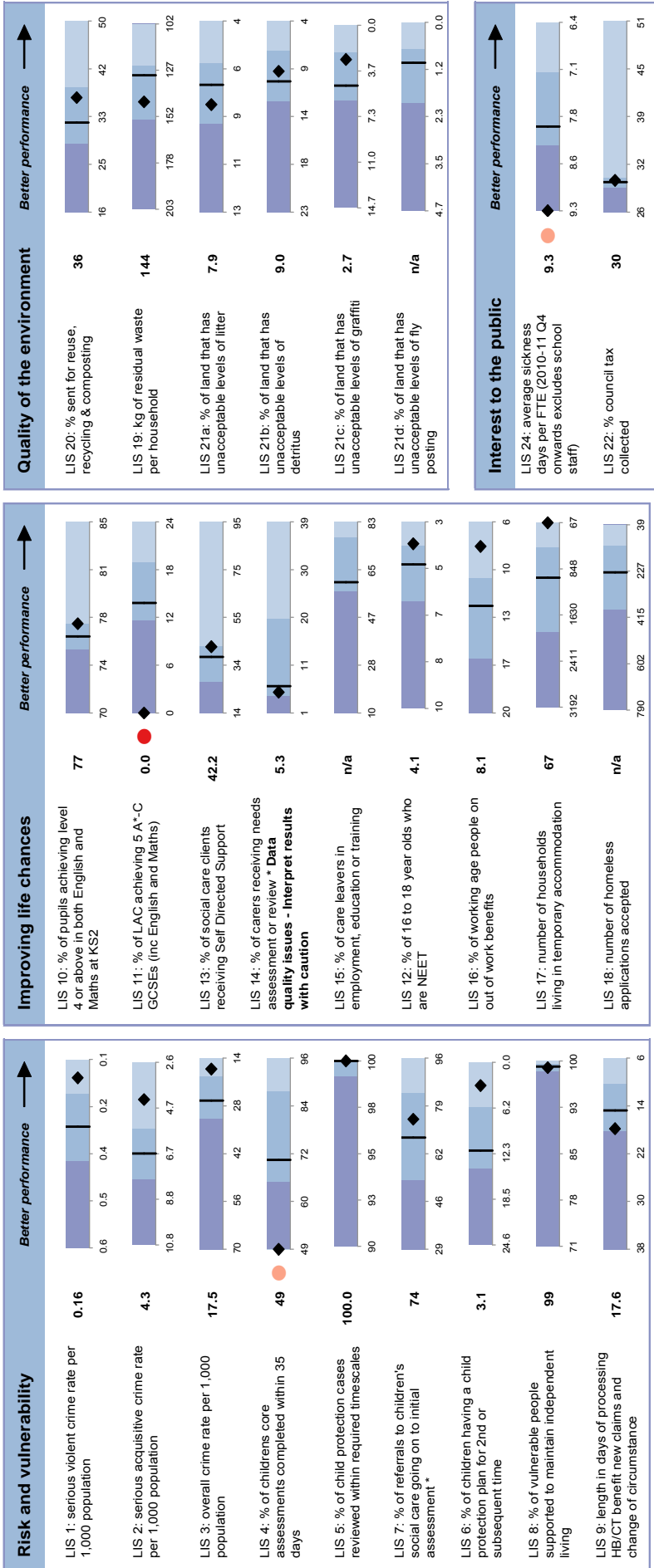
PI Code & Description	June Target	June YTD	July Target	July YTD	Annual Target	Polarity	Progress	Management Action
CRP 11 ~ Amount of budgeted efficiency savings achieved	1473000	DNR	1964000	DNR	5892000	High	DNR	This is monitored as a separate section in the Joint Report to CMT
CRP 12 ~ Amount of cashable savings delivered from Lean Projects	TBC	NMTP	TBC	NMTP	TBC	High	NMTP	An overall target has not been set as until reviews start it is not possible to determine potential to achieve cashable and non-cashable savings.
CRP 17 ~ Total capital receipts received by the council	TBC	0	TBC	0	4000000	High	TBC	The Performance Indicator for capital receipts in 2011/12 has been increased from £1m to £4m. Disposals are in progress with the substantive receipts due towards the end of the year.
CRP 19 ~ % of outstanding debt recovered by the council	TBC	NMTP	TBC	NMTP	TBC	High	NMTP	New definition suggested – The % of outstanding sundry debt (excluding HB, Local taxation and Parking) over 39 days old. Target and profiling to be prepared so can be reported next month.
CRP 20 ~ Amount of debt written off by the council	TBC	NMTP	TBC	NMTP	TBC	High	NMTP	Proposed this measure deleted – if not measure & target need to be defined to ensure meaningful data produced
CRP 15 ~ Number of cheques issued	TBC	2553	TBC	3274	TBC	Low	TBC	Average no. of cheques issued for same period 10/11 was 4,860

Progress: Progress arrows have been generated by comparing last months YTD performance against target with this months YTD performance against target

- △ - Current YTD performance improved compared with last months YTD performance
- ▽ - Current YTD performance declined compared with last months YTD performance
- ▷ - Current YTD performance constant compared with last months YTD performance
- DNR - Signifies that data was not received by deadline
- NMTP - Signifies not measured this period

Appendix 4b

Merton: London Performance Dashboard - Interim 2011-12 - Q1 data



key

- ◆ borough performance
- lower performing 25%
- middle performing 50%
- higher performing 25%
- quite below average
- quite above average
- significantly below average
- significantly above average

relative performance is:

Guidance notes

- The diamond represents performance for your chosen borough. To the right of the black bar represents better than average performance, to the left represents lower than average performance.
- Lower than average performance does not necessarily imply poor performance, and vice versa
- If performance for your chosen borough is significantly different to the average, this is highlighted with a dark red or green dot next to the value. If performance is less significantly different this is highlighted with a lighter dot. This does not apply to LIS 7 as it is difficult to quantify whether good performance is typified by higher or lower numbers.
- Data for each chart does not normally include values for all 33 boroughs. Relative performance may change if data was available for all boroughs.

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CORPORATE SERVICES DEPARTMENT SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date £000	RAG	Comments
CS1	ABG Reduction Reduction in Preventing Violent Extremism (PVE) budgets	SNS2	66	22	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for the 1st Qtr is considered achieved
CS2	Corporate Services & Chief Executives Staffing Restructure of Support Services	SS2	2166	0	R	Due to the late implementation of the restructure there will be a delay in achieving a full year's savings
CS3	Corporate Services & Chief Executives Staffing Customer Services Restructure	SS2	463	0	R	Due to the late implementation of the restructure there will be a delay in achieving a full year's savings
CS4	CHAS Contractors Health and Safety service. CHAS is a national service operated by Merton to provide Health and Safety expertise to a wide range of customers. Anticipated additional income based on current level of demand for the service, which is anticipated to continue in 2011/12.	SI2	700	233	G	As at the end of Quarter 1 there is a year to date shortfall of £120k. Based on the current level of activity this saving is unlikely to be achieved in full
CS5	Review of HR business partners function shared with Sutton - Merton contribution to be £50K through reduced staffing Reduction in Business Partner staffing - exact post/s yet to be identified and subject to consultation	SS2	50	17	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for the 1st Qtr is considered achieved
CS6	Review of procurement of occupational and employee assistance contracts to achieve improved value through retendering Retender occupational health and employees assistance contracts	SP1	30	10	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for the 1st Qtr is considered achieved
CS7	Review of learning development and diversity function Aim to co-locate the team and reduce staffing level	SS1	20	7	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for the 1st Qtr is considered achieved
CS8	Corporate Reduced Agency margins following renegotiation of Merton's contract with Hays	SP1	152	51	G	The agency contract with Manpower commenced in December 2010. This saving will be monitored.
Total Corporate Services & Chief Executive's Savings 2011-2012			3,647	340		

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date (Jul) £000	RAG	Comments
CSF1	Area Based Grant Education Health Partnerships	SS2	43	14	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF2	Area Based Grant Extended Schools Start Up	SS2	50	17	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF3	Area Based Grant Secondary Behaviour and Attendance - Central Co-ordination	SS2	50	17	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF4	Area Based Grant School Travel Advisors and Sustainable Travel	SS2	29	10	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF5	Area Based Grant Carers Grant/Childrens Fund (Early Intervention and Prevention Commissioning)	SNS2	200	67	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF6	Area Based Grant Child & Adolescent Mental Health Services	SS2	40	13	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF7	Area Based Grant Child Death Reviews	SNS2	10	3	A	Taken saving, must ensure we do not over-pay PCT.
CSF8	Area Based Grant Connexions	SNS2	200	67	R	Contract folding, expecting additional cost.
CSF9	Area Based Grant Positive Activities for Young People	SS2/ SNS2	20	7	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF10	Area Based Grant Young Peoples Substance Misuse	SNS2	20	7	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF11	Area Based Grant Teenage Pregnancy	SNS2	27	9	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF12	Area Based Grant Transfer of Learning and Skills Council Functions	SNS1	100	33	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF13	Commissioning, Strategy and Performance Restructure the Research and Information Service and reduce by 1 post	SS1	54	18	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF14	Commissioning, Strategy and Performance Remove One Admissions Post	SS1	38	13	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF15	School Standards and Quality Cease Match Funding for Playing for Success Initiative	SNS2	35	12	A	Redundancies in April. A detailed investigation will be carried out on salaries and reported on next month.
CSF16	Community Support and Social Care Delete 2fte Family Support Co-ordinators	SS1	70	23	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF17	Youth and Inclusion Educational Welfare Team	SS2	30	10	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF18	Youth and Inclusion Restructure Youth Provision	SNS2	110	37	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF19	Early Years Reduction of training budget	SNS2	50	17	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF20	Cross Cutting Reduce Young People's Participation Budget	SS2	40	13	A	Only envisage 50% of the saving being made in current year.
CSF21	Community Support and Social Care Delete one admin post.	SS1	20	7	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF22	Community Support and Social Care Reduction in daycare budget.	SNS2	30	10	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF23	Community Support and Social Care Reduce Section 17 budgets across social care teams.	SNS2	15	5	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF24	Area Based Grant Savings Primary/Secondary Strategy - Central Co-ordination	SS2	120	40	G	Budgets were reduced. Monitored as part of monthly budgetary control.
CSF25	Special Educational Needs Service efficiencies and rationalisation of budgets	SNS1	50	17	A	Delay in consultation
CSF26	Special Educational Needs Reduce Budget for SEN Transport	SNS1/ SNS2	100	33	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF27	Schools Standards and Quality Merton's LgFL Annual Revenue Contribution	SS2	40	13	G	Base budgets were reduced. Monitored as part of monthly budgetary control.

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date (Jul) £000	RAG	Comments
CSF28	Integrated Services Integrated Services Efficiencies	SS1/ SNS1	70	23	A	Delay in consultation
CSF29	Strategy and Development Restructure	SS2	70	23	A	Redundancies in May. A detailed investigation will be carried out on salaries and reported on next month.
CSF30	Community Support and Social Care Delete 1 Assistant Team Manager post in the Fostering Team	SS2	50	17	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF31	Community Support and Social Care Delete 0.5 wte Assistant Team Manager post in Family Support Team.	SS2	22	7	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF32	Community Support and Social Care Delete one Contact Supervisor post.	SS2	25	8	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF33	Youth and Inclusion Reduce Case Manager/ISSP Commissioning Arrangements in Youth Opportunities Team (YOT)	SS2	30	10	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF34	Cross Cutting Access to Resources (ART) Savings in Placement Costs	SP1	200	67	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF35	Cross Cutting Reviewing of Training and Supplies Budgets	SS2	30	10	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF36	Education Merton's LgFL Annual Revenue Contribution	SS2	57	19	G	Using reserves to fund for year as agreed at schools forum 21 June.
CSF37	Cross Cutting To be Identified after Grant Fall out Position Established	SNS1	84	28	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
CSF38	School Standards and Quality Reducing of financial support to Merton Music Foundation	SNS2	26	9	G	Base budgets were reduced. Monitored as part of monthly budgetary control.
Total Children, Schools & Families Savings 2010-2011			2,255	753		

ENVIRONMENT & REGENERATION SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date £000	RAG	Comments
ER01	Development Control i) Expansion of existing pre-application charging system to include charge for advice given to household development - e.g. extensions, dormer roofs etc-£10K ii) Merging of Building Control and Development Control Teams involving deletion of 1 Section manager, one deputy team leader and one surveyor post-£110k	SI2 & SS1	120	40	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER02	Environmental Health, Trading Standards and Licensing i)Dispense with budget and allocated for "bought in inspections"- £25k ii) Surrender unused financial allocations-£33k iii) Capitalisation of salary expenditure on Disabled Facility Grant and Empty Property Grant provision-£58k iv) Reconfiguration of structures within Licensing and Env.Health Housing £48k.	SS1 & SNS1	164	55	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving is considered achieved
ER03	Parking Services Increase in various parking charges: i) Removal of 20 minute free parking £60,000 (5 min = 15k, 10 min = 30k, 15 min = 45k) ii) Mobile CCTV £87,000 iii) Trade Permit £30,000 iv) New Person set up charge £65,000 v) Business Permits £108,000	SI1	320	107	A	Saving has been incorporated in base budget (Parking Income) - Although total Parking income is currently forecast to be under the year end target , this is not specifically due to the savings proposals. A pro rata saving is therefore considered achieved whilst an amber rating is considered appropriate.
ER04	Business Performance Replacement of one full time with a part-time post for - Principal	SI1 & SS2	27	9	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER05	Leisure Centres Reduction in payment to contractor new contract sets a reduced annual leisure management contract sum	SP1	160	53	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER06	Greenspaces					Saving has been incorporated in

ENVIRONMENT & REGENERATION SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date £000	RAG	Comments
	A phased reduction in the grant to Deen City Farm of fifteen thousand per year for the next three years.	SNS2	15	5	G	base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER08	Greenspaces Increase in cemeteries burial fees of 20% that is linked to the	SI1	70	23	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER09	Greenspaces Increased fees & charges of 5% for pitch hire, services etc.	SI1	35	12	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER10	Property Management and Review Invest to Save. Regearing leases within non operational estate.	SI2	100	33	A	Saving has been incorporated in base budget - Although total rental income is currently forecast to be under the year end target, this is not specifically due to the savings proposals. A pro rata saving is
ER11	Transport Planning Three savings are presented from the Transport Planning function - 1. Reduction in Consultancy Budget 2. Deletion of four school crossing patrol posts and 3. Saving from Safety Education Team salaries budget through the use of external funds	SS1 & SS2	47	16	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER12	Spatial Planning Replacing a vacant planning policy officer post with a short-term contract, reducing the length of the post by one quarter overall.	SS2	10	3	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER13	Physical Regeneration Utilising external funding (from the remaining planning delivery grant) from a unfilled Urban Design Post to fund existing team members.	SG1	22	7	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER14	Economic Development Substitution of LABGI and/or S106 funding for existing Principal Economic Development Officer post	SG1	40	13	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER15	Vestry Hall: Additional Income Vestry Hall was granted the necessary planning consents in 2009/10 for additional uses that have increased income generation opportunities.	SI2	20	7	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER16	Traffic and Highways - Carriageway Patching				G	Saving has been incorporated in base budget which is currently not

ENVIRONMENT & REGENERATION SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date £000	RAG	Comments
	Reduction in available revenue budget to undertake carriageway patching.	SNS2	157	52	G	expected to overspend, therefore a pro rata saving for is considered achieved
ER17	Traffic and Highways - Footway Maintenance Reduction in overall revenue budget available for footway maintenance.	SNS2	113	38	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER18	Traffic and Highways Review of the Traffic and Highway Structure with the deletion of one Highway Safety Inspector and two technical support officers (Admin)	SS1	75	25	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER19	Traffic and Highways - Walk Sheets Restrict Highway Safety Inspections response to 2hrs and 20 days only. Non replacement of posts/bollards	SNS2	40	13	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER20	Traffic and Highways Removal of Anti-Skid budget and a reduction in budget available for maintenance of carriageway markings (white and yellow lines) across the Borough (13K). Removal of Hanging Baskets budget (13k). Reduction in overall Street Lighting Contract budget (8K). Removal of outstanding Traffic signal Budget (6K). Reduction in equipment purchase budget (6K). Reduction in Misc Hired Services Budget (5k)	SNS2	51	17	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER21	Refuse/Recycling Collection - Commercial Increase charges	SI1	80	27	G	Saving has been incorporated in base budget. Although specific cost centre is forecasting an overspend, Waste Services in total is
ER22	Street Cleansing Service Efficiencies and Reductions	SS1	285	95	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered
ER23	Waste Transfer Station, Amenity Way Service efficiency	SS1 SNS1	96	32	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER24	Garden Waste Collection Service reduction	SS2	227	76	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a
ER25	Community Waste Partnerships Service reduction	SS2	47	16	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered

ENVIRONMENT & REGENERATION SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date £000	RAG	Comments
ER26	Enforcement & Inspection Service reduction	SS2	36	12	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER27	Household Reuse & Recycling Centres Close 36 Weir Road HRRC (currently operates Fri-Mon inclusive at present)	SP1	175	58	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER28	Safer Merton Deletion of three posts in Safer Merton	SS2	105	35	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER29	Parking Services Increase in various parking charges and changes to enforcement policy and practice in respect of observation times. i) reduction of existing 5 minute observation to 2 mins £19k. ii) WTC £60k iii) Increase on street pay and display tariffs by 10% £193k iv) review of existing tariff charging structures £138k.	SI1	410	137	A	Saving has been incorporated in base budget (Parking Income) - Although total Parking income is currently forecast to be under the year end target, this is not specifically due to the savings proposals. A pro rata saving is therefore considered achieved whilst an amber rating is considered appropriate.
ER30	Building Control Commercialise Building Control by offering service to other Councils/Stakeholders	SI2	80	27	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER31	Greenspaces Parks grounds service operational restructure including a reduction in staffing establishment, realignment of duties and reduction in the use of agency staff and overtime. Recovery of all costs on lettings.	SS2	350	117	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER32	Greenspaces Cemeteries service restructure	SS1	80	27	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER33	Spatial Planning, Transport Planning and Physical Regeneration From transformation of three teams into 1	SS1	150	50	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER34	Waste Disposal Savings in Landfill Costs	SNS1	250	83	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER35	Commercial Waste Increase in volume from marketing of service.	SI2	110	37	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER36	Traffic and Highways Services Staffing Reductions	SS2	100	33	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved

ENVIRONMENT & REGENERATION SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date £000	RAG	Comments
ER33a	Spatial Planning, Transport Planning and Physical Regeneration From transformation of three teams into One (Note: Additional saving to £150k already agreed - ER33)	SS1	100	33	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER34a	Waste Disposal Savings in Landfill Costs (Note: Additional saving to £250k already agreed - ER34)	SNS1	100	33	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER37	Parking Services Additional enforcement in Bus Lanes - various	SI2	130	43	A	Saving has been incorporated in base budget (Parking Income) - Although total Parking income is currently forecast to be under the
ER38	Physical Regeneration Reduction in supplies and services budgets (funded through ABG in 2010-11).	SNS2	22	7	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
ER39	Parking Services Review of existing charges for all Council managed car parks	SI1	120	40	A	Saving has been incorporated in base budget (Parking Income) - Although total Parking income is currently forecast to be under the year end target, this is not specifically due to the savings
ER07a	Greenspaces The deletion of the post of Design and Delivery manager.	SS1	43	14	G	Saving has been incorporated in base budget which is currently not expected to overspend, therefore a pro rata saving for is considered achieved
Total Environment and Regeneration S			4,682	1,560		

COMMUNITY AND HOUSING DEPARTMENT SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date (July) £000	RAG	Comments
CC01	ABG Reduction Reduction in Supporting People supplies and services budgets.	SP1	10	3	G	Budgets adjusted and delivery measured as part of budgetary control.
CC02	Access & Assessments and Commissioning Propose an inflation increase of 0% on all providers.	SP1	638	213	G	Budgets adjusted and delivery measured as part of budgetary control.
CC03	Access & Assessments and Commissioning Negotiate a single hourly rate for homecare	SP1	387	129	G	Budgets adjusted and delivery measured as part of budgetary control.
CC04	Access & Assessments and Commissioning Use Care Funding Calculator to reduce placement costs.	SP1	150	50	G	Budgets adjusted and delivery measured as part of budgetary control.
CC05	Access & Assessments and Commissioning Employ Older People broker to reduce spot placement cost.	SP1	100	33	G	Budgets adjusted and delivery measured as part of budgetary control.
CC06	Access & Assessments and Commissioning Reduction in Older People block contracts	SP1	100	33	G	Budgets adjusted and delivery measured as part of budgetary control.
CC07	Access & Assessments and Commissioning Moving equipment provision to the Transforming Community Equipment Service model.	SP1	80	27	G	Budgets adjusted and delivery measured as part of budgetary control.
CC08	Access & Assessments and Commissioning Non-contractual Day Care provision	SP1	20	7	G	Budgets adjusted and delivery measured as part of budgetary control.
CC09	Access & Assessments and Commissioning Meals on Wheels contract reduction.	SP1	30	10	G	Budgets adjusted and delivery measured as part of budgetary control.
CC10	Direct Provision MASCOT charges	SI1	25	8	G	Budgets adjusted and delivery measured as part of budgetary control.
CC11	Direct Provision Reduction in transport cost	SNS1	240	80	G	Budgets adjusted and delivery measured as part of budgetary control.
CC12	Direct Provision Staff savings	SS1	126	42	G	Budgets adjusted and delivery measured as part of budgetary control.
CC13	All sections Disability Related Expenditure- changes to Fairer Charging Policy introducing a standard disregard of £10 and setting a maximum attendance allowance of £47.80.	SI1	27	9	G	Budgets adjusted and delivery measured as part of budgetary control.
CC14	All sections Changing the maximum homecare charge from £395.30 per week to having no maximum limit.	SI1	58	19	G	Budgets adjusted and delivery measured as part of budgetary control.
CC15	Access & Assessments and Commissioning Re-negotiate the hourly rate as allowed for under the Crossroads contract.	SP1	16	5	G	Budgets adjusted and delivery measured as part of budgetary control.
CC16	Access & Assessments and Commissioning Contract for LD Advocacy Service (including: DOLS & IMCA)	SP1	3	1	G	Budgets adjusted and delivery measured as part of budgetary control.
CC17	Access & Assessments and Commissioning Provision of care at Autumn Close for LD clients (de-registering to a Supported Living Scheme)	SP1	12	4	G	Budgets adjusted and delivery measured as part of budgetary control.
CC18	Access & Assessments and Commissioning Contract for the provision of BME & Adult Mental Health Day Services	SP1	48	16	G	Budgets adjusted and delivery measured as part of budgetary control.
CC19	Access & Assessments and Commissioning Extra Care Housing Supported Housing Scheme	SP1	22	7	G	Budgets adjusted and delivery measured as part of budgetary control.
CC20	Access & Assessments and Commissioning Respite Provision at Trellis House	SP1	5	2	G	Budgets adjusted and delivery measured as part of budgetary control.
CC21	Direct Provision Goods and services	SNS1	25	8	G	Budgets adjusted and delivery measured as part of budgetary control.
CC22	Direct Provision Closure of Taylor Road building	SNS2	18	6	G	Budgets adjusted and delivery measured as part of budgetary control.
CC23	Give up growth agreed in previous year	SNS2	380	380	G	Budget has been fully adjusted.
CC24	ABG Reduction Reduction in Supporting People contracts to account for reduction in grant.	SP1	96	32	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC25	Access & Assessments and Commissioning Further reduction in Supporting People contracts.	SP1	100	33	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC26	Access & Assessments and Commissioning Reduction in grant to voluntary organisations.	SP1	390	130	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC27	Direct Provision MASCOT charges	SI1	12	4	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC28	Access & Assessments and Commissioning Review of No Recourse to Public Fund cases.	SP1	20	7	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC29	Access & Assessments					Budgets have been adjusted and delivery is

COMMUNITY AND HOUSING DEPARTMENT SAVINGS

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2011/12 Savings Requirement £000	2011/12 Savings Achieved to Date (July) £000	RAG	Comments
	Reablement staffing restructure	SS1	200	67	G	measured as part of ongoing budgetary control.
CC30	Access & Assessments and Commissioning Secure funding from the NHS to procure reablement services.	SI1	100	33	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC31	Direct Provision Staff restructure	SS1	150	50	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC32	Access & Assessments and Commissioning All new placements for adults of working age (excluding YPD & LD) to be placed through Brokerage team.	PI1	100	33	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC33	All Reduction in training opportunities	SNS2	50	17	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC34	Access & Assessments and Commissioning Discontinue the advocacy service contract.	SP1	38	13	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC36	All sections Increase fees to clients by 2%	SI1	204	68	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC37	All sections Charging for both carers where two carers are required to support a client at the same time.	SI1	41	14	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC38	All sections Increase fees to clients	SI1	100	33	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC39	Access & Assessments and Commissioning Propose an inflation increase of 0% on all providers.	SP1	100	33	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
CC40	Access & Assessments Use of Telecare	SI2	60	20	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
LI01	Libraries & Heritage Revised Library opening hours	SS1	102	34	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
LI03	Libraries & Heritage Libraries management reduction	SS2	81	27	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
HO01	Housing Reduction of staff	SS1	41	14	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
HO02	Housing Deletion of voluntary grant to South London Somali community organisation	SG2	3	3	G	No payment due to Somali Organisation
HO03	Housing Efficiency savings from homelessness grant 2011/12(assumption is made here that existing grant levels will be maintained	SG1	35	12	G	Budgets have been adjusted and delivery is measured as part of ongoing budgetary control.
Total Community and Housing Savings 2011-2012			4,543	1,769		