

Cabinet

Date: 19 January 2015

Subject: Financial Report 2014/15 – November 2014

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £4.75million, 2.92% of the net budget. This is a decrease of £9k from last month.
- B. That Cabinet approve the virement of £319K to transfer the Safety Services budget from Corporate Governance to Infrastructure and Transactions division within Corporate Services.
- C. That Cabinet note the amendments to the Capital Programme in Appendix 5b and approve the following adjustments:

Belvederes and Ridgway Place	70,000
Wheelie Bins - Pilot	48,000
Taylor Rd Day Centre - Improvement Works	25,000
Highways bridges & structures	(143,000)
Transformation Budgets	(512,170)
Disaster Recovery	512,170
London Rd Cemetery Extension	340,000
	2015/16
	£
Match Funding for GLA Bid from Future Merton	122,000
Capital Bidding Fund	(122,000)
Expansion Inflation Contingency	180,000
Dundonald Expansion	(180,000)

PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the regular financial monitoring report for 2014/15 presented to CMT in line with the financial reporting timetable. It is based on expenditure and income as at 30th November 2014.

This financial monitoring report provides:-

- The latest budgetary control information on revenue expenditure and income, forecasting a year end overspend of £4.75m (last month £4.84m);
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2014/15;

2. 2014/15 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

2.1 **Executive summary** – At period 8 to 30th November 2014 the forecast is expected to be a net £5.02m overspend compared to the current budget.

Summary Position as at 30th November 2014

	Current Budget 2014/15 £000s	Full Year Forecast (Nov) £000s	Forecast Variance at year end (Nov) £000s	Forecast Variance at year end (Oct) £000s	Outturn variance 2013/14 £000s
Department					
3A. Corporate Services	13,619	13,666	47	(599)	(732)
3B. Children, Schools and Families	48,620	51,800	3,180	3,099	556
3C. Community and Housing	61,988	63,777	1,789	2,016	(1,122)
3D. Public Health	1,306	1,306	0	(1)	0
3E. Environment & Regeneration	24,717	25,904	1,187	1,465	(576)
Overheads	0	0	0	0	55
NET SERVICE EXPENDITURE	150,250	156,453	6,203	5,980	(1,820)
3E. Corporate Items					
Impact of Capital on revenue budget	14,103	14,103	0	0	0
Central budgets	(2,743)	(4,198)	(1,455)	(1,143)	2,429
Levies	931	931	0	0	0
TOTAL CORPORATE PROVISIONS	12,291	10,836	(1,455)	(1,143)	2,429
TOTAL GENERAL FUND	162,541	167,289	4,748	4,837	610
FUNDING					
Revenue Support Grant	(39,738)	(39,738)	0	0	(249)
Business Rates	(33,253)	(33,253)	0	0	0
Other Grants	(9,972)	(10,053)	(81)	(81)	(359)
Council Tax and Collection Fund	(79,578)	(79,578)	0	0	0
FUNDING	(162,543)	(162,622)	(81)	(81)	(610)

It should be noted that C&H and CSF have netted down the forecast overspend by £915k of one-off Public Health money. This reduces the overall overspend from £5.67m to £4.75m reported.

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against both 2013/14 and 2012/13.

Service Expenditure - Forecast Year End Variance

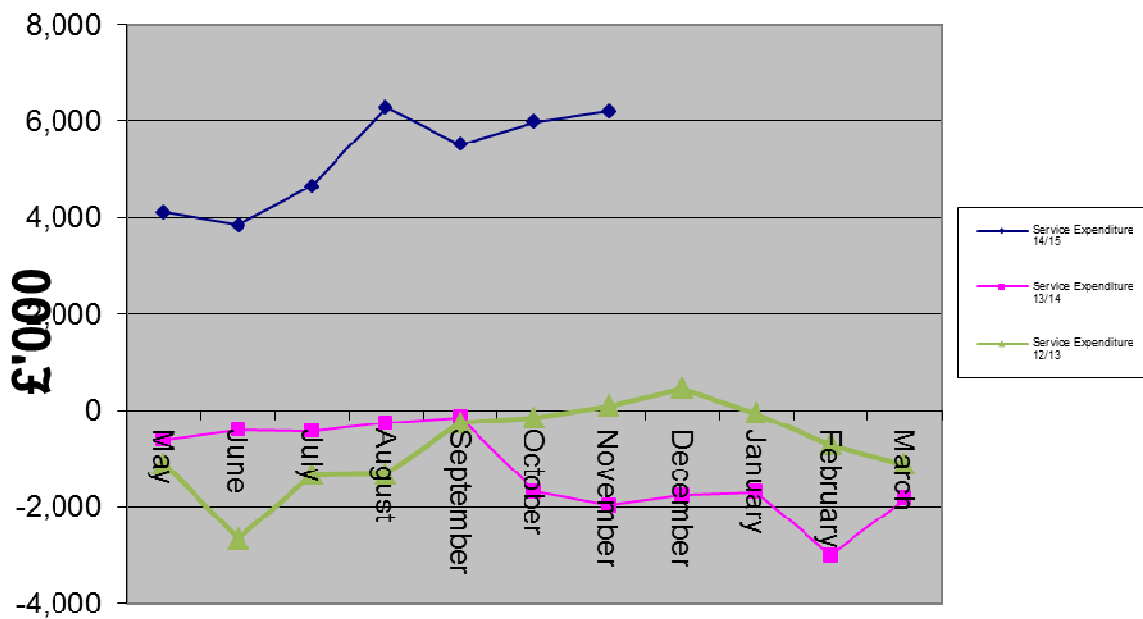
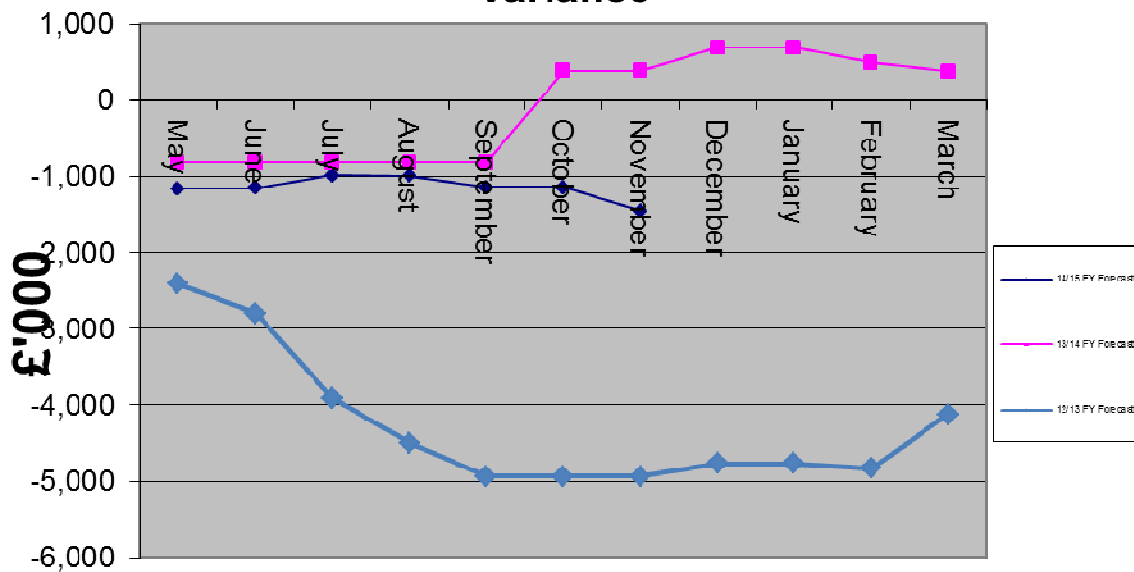


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against both 2013/14 and 2012/13.

Corporate Provisions - Year End Forecast Variance



Subjective analysis at 30th November 2014

	Current Budget 2014/15	Full Year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)	Outturn variance 2013/14
Expenditure	£000	£000	£000	£000	£000
Employees	94,695	95,895	1,200	1,729	275
Premises Related Expenditure	9,150	9,125	(24)	(249)	(891)
Transport Related Expenditure	13,636	14,767	1,131	1,592	20
Supplies and Services	170,572	168,872	(1,700)	(747)	1,933
Third Party Payments	85,221	91,434	6,213	5,936	(2,106)
Transfer Payments	108,346	105,057	(3,289)	(3,956)	6,442
Support Services	32,421	32,420	(1)	(1)	1,501
Depreciation and Impairment Losses	15,227	15,226	(1)	(1)	(0)
Corporate Provisions	12,291	10,836	(1,455)	(1,143)	2,429
GROSS EXPENDITURE	541,560	543,634	2,074	3,161	9,603
Income					
Government Grants	(264,568)	(260,465)	4,103	3,712	(6,425)
Other Grants, Reimbursements and Contribs	(24,771)	(26,037)	(1,267)	(1,074)	(2,361)
Customer and Client Receipts	(56,561)	(57,636)	(1,075)	(1,329)	(1,141)
Interest	(44)	(19)	25	25	25
Recharges	(33,020)	(33,019)	1	1	(1,446)
Balances	(55)	832	887	341	2,352
GROSS INCOME	(379,019)	(376,344)	2,675	1,677	(8,994)
NET EXPENDITURE	162,541	167,289	4,749	4,837	610

DEPARTMENTAL SUMMARY OF CURRENT POSITION

3A Corporate Services Department

	2014/15 Current Budget	Full year Forecast October	Forecast variance at year end November	Forecast variance at year end October	2013/14 Variance
	£0	£0	£0	£0	£0
Business Improvement	3,411	3,351	-60	-26	-32
Infrastructure & Transactions	9,314	9,170	-144	-131	-130
Resources	7,403	7,279	-124	-97	-284
Human Resources	2,539	2,543	4	2	-46
Corporate Governance	3,516	3,240	-276	-285	-185
Customer Services	2,305	2,220	-85	-95	-752
Corporate Items including redundancy costs	1,272	2,005	733	33	696
Total (controllable)	29,760	29,808	48	-599	-733

Overview

At period 8 (November) the Corporate Services department is forecasting an overspend of £48k. The reason for the significant movement from a forecast underspend last month of £599k to an overspend is the result of the 2013/14 Housing Benefits grant claim audit. Based on the errors and omissions identified as part of the audit process there is an initial loss of subsidy of £600k from the Department of Work and Pensions (DWP). The reduction is calculated by an extrapolation of the errors identified over the whole claim. The provision for 2013/14 was £250k so a further provision of £350k is required for 2013/14. An equivalent amount of £350k has also been provided for 2014/15 as the changes in process required and lessons learned cannot be implemented immediately. Further details are provided below in Corporate Items.

Business Improvement – forecast underspend £60k

The reason for the underspend is an overachievement of street naming income of £35k and an underspend of approx. £50k on some vacant posts in the new systems and development team structure. Recruitment is underway but the first round of interviews did not lead to appointment so this underspend may increase if recruitment is delayed.

The underspend is partly offset by a forecast overspend of approx. £40k on support and maintenance contracts. Contracts are being reviewed in line with the development of a procurement plan to identify whether there is scope for reduction in these costs.

Infrastructure and Transactions – forecast underspend £144k

There is a forecast underspend of £144k due to some vacant posts and future year savings captured early.

Resources – forecast underspend £124k

The division is forecasting an underspend of £124k due to future year savings being achieved in the current year.

Human Resources – forecast overspend £4k

The cost of resources to address the recruitment process issues has been included at approx. £20k. The WCN system was intended to be a user friendly self service system but has been problematic and resulted in delays in the recruitment process. The most cost effective solution is to engage additional resource to assist managers in the recruitment process until the expiry of the contract.

As reported previously there is a forecast underachievement of schools SLA income of £25k due to the pressure from external providers. There is also pressure in achieving the saving to increase the CRB income target. The shortfall projected is £15k. These are being offset by underspends within the division.

Corporate Governance – forecast underspend £275k

The Benefits Investigation team transferred to the DWP under the Single Fraud Investigation Service on 1st November. An anti- fraud team of 3 posts is being created within the Audit & Investigation service to cover corporate fraud investigations with recruitment underway. The budget for this service is expected to be under spent by approximately £125k in 2014/15 due to the transfer to the DWP and the timescale involved in recruiting to the 3 anti-fraud corporate posts. The budget for 2015/16 will need to be reduced to reflect these changes, include agreed savings and reflect a reduction in Housing benefits admin grant.

There is a projected underspend of approx. £90k on various non salary budgets which are being held as future year savings.

The saving of a FOI/ complaints officer post within the Data Protection team will not be achieved in the current year due to a very high demand on the service. An alternate saving has being identified from various non-salary budgets within the division.

Customer Services – forecast underspend £85k

The Local Welfare Support discretionary scheme continues to underspend in 2014/15. The forecast underspend is circa. £250k. This underspend will be transferred to the local welfare support reserves. A paper will be presented to CMT in due course with a proposal to increase the uptake of this scheme.

The forecast underspend on vacant posts are approx. £115k.

The Corporate Communications sponsorship, advertising and filming income target remains an on-going issue and budget pressure with a forecast overspend of £85k.

The Sutton shared bailiffs income target is also a pressure in 14/15 and expected to underachieve. The forecast underachievement of income is £110k.

Corporate items

The Housing Benefit grant claim (£92.5m) has been audited and identification of a number of errors within testing of claims has resulted in an initial loss of subsidy of £600k. The audit process is likely to always only reduce the subsidy received due to the methodology and process which means only overpayments and not underpayments are extrapolated and adjusted for. Once errors are identified the percentage rate of the errors against the sample are extrapolated against the whole claim, for example, an error rate of 0.9% was found on child tax credit cases which equated to £2,835 but the 0.9% error rate is extrapolated against all cases with child tax credits (£24m) which has resulted in a loss of subsidy of £220k. One of these errors for £1,523 was the result of a failed automated system process introduced by the Department of Work and Pensions and discussions are taking place with them to remove this case from the extrapolation. If successful (we were last year with a case exactly the same) it will reduce the error rate to 0.42% and reduce the loss of subsidy for child tax credits from £220k to £103k. To ensure prudence the full potential liability has been provided for.

Following the 2012/13 grant claim audit increased checking and targeted training was implemented, however, this only took effect from December 2013 and the current grant claim covers the 2013/14 financial year. Therefore it is too early to fully analyse the impact of this additional checking and training.

Management Action

In light of the financial turnaround in the Corporate Services, budget managers are reviewing their areas of responsibility to see if further action can be taken to bring the department back to a breakeven position, or further, to an underspend.

3B. Children Schools and Families

Children, Schools and Families	2014/15 Current Budget £000	Full year Forecast (Nov) £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000	2013/14 Variance at year end £000
Commissioning, Strategy and Performance	7,062	8,301	1,126	1,239	449
Education	16,253	17,521	1,242	1,298	370
Social Care and Youth Inclusion	10,938	11,832	1,234	992	(268)
Public Health contribution	0	(415)	(415)	(415)	0
PFI	7,724	7,709	(7)	(15)	29
Redundancy costs	2,073	2,073	0	0	(24)
Total (controllable)	44,050	47,021	3,180	3,099	556

Overview

At the end of November Children Schools and Families is forecasting a net overspend of £3.180m on local authority funded services. There are a number of duties placed on the Local Authority which have not been fully funded or not funded at all. These include remand costs, no recourse to public funds (NRPF) and the requirement to support care leavers. This was compounded by the Children and Families Act requirements from September 2014. This has been netted down by one off Public Health money of £415k making the underlying overspend £3.595m, (£3.514m last month) an increase of £81k.

Local Authority Funded Services

There are a number of volatile budgets, which require continuous and careful demand management. Significant cost pressures and underspends identified to date are detailed below:

Description	Budget £000	Nov £000	Oct £000
Fostering and residential placements (ART)	4,169	890	987
Supported lodgings/housing	627	391	426
Un-accompanied asylum seeking children (UASC)	346	148	142
Procurement & School organisation	953	(151)	(131)
Legal cost	519	(110)	(110)
Other small over and underspends	448	(42)	(75)
Subtotal Commissioning, Strategy and Performance	7,062	1,126	1,239
SEN Transport	2,778	1,019	978
No Recourse to Public Funds (NRPF)	0	64	64
Children with disabilities team (CWD) staffing	535	119	194
Children with disabilities (CWD) personal support	296	94	104
Other small over and underspends	12,644	(54)	(42)
Subtotal Education	16,253	1,242	1,298
Social work staffing costs	2,689	688	610
No Recourse to Public Funds (NRPF)	20	368	278
Supported lodgings/housing	13	174	174
Special guardianship orders (SGO)	442	136	136
Independent review and service quality	487	160	42
Setting up home allowances	90	156	156
Family & Adolescent Services	178	(113)	(93)
CAMHS	298	(208)	(208)
Other small over and underspends	6,721	(127)	(103)
Subtotal Children's Social Care and Youth Inclusion	10,938	1,234	992
Public Health contribution	0	(415)	(415)
Subtotal PFI	7,724	(7)	(15)
Subtotal Redundancy cost	2,073	0	0
Grand total Children, Schools and Families	43,922	3,180	3,099

Commissioning, Strategy and Performance Division

- While the numbers of Looked After Children (LAC) remain stable, the complexity of a significant proportion of cases is causing the net estimated overspend of £890k. This includes on-going pressures in independent agency fostering of £171k, in-house fostering of £278k and residential placements of £657k which is offset by underspends forecast in mother and baby placements of £114k and £102k on secure accommodation costs.
- The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £391k. This budget is used to finance placements for young people aged 16/17 who

require semi-independent provision and for Care Leavers through to independence or, in some cases, through to the age of 21. There has been an increase in forecast expenditure since April 2014 due to increase in caseload as some young people have now reached 18 and funding for their placement has transferred from the LAC placement into this budget. Because of their specific needs, some young people have also needed to move placements and this has resulted in increased expenditure on those placements.

- The UASC payments are expected to overspend by £148k this year due to an increase in the number of claimants turning 18 which is when central government contribution towards these cases ceases.
- Procurement and school organisation budgets are expected to underspend by £151k as a result of not recruiting to vacancies and a lower spend forecast on revenue budgets.
- The direct charging budgets for the shared legal service are currently forecasting £110k underspend.
- There are various other small over and underspends predicted across the division netting to a £42k underspend. These combine with the items described above to arrive at the total reported divisional overspend forecast of £1.126m.

Education Division

- SEN and FE transport cost are expected to overspend by £1.019m due to the increased number of service users and higher than anticipated charges from the service provider. The overspend is split between core routes SLA increase (£301k) and taxi usage (£718k). This is due to more children with challenging behaviour requiring individual transport with accompanying escorts as well as the additional costs of providing cover for transport escorts who are off sick. Work continues to ensure the most cost effective routing for individual young people.
- The No Recourse to Public Funds (NRPF) budgets are forecast to overspend in total by £432k for the current financial year. These overspends are expected across education (£64k) and CSC (£368k). This increase in cost is in response to case law regarding housing families with no recourse to public funds (Zambrano & Clue cases). This is an issue across London.
- The CWD team is expected to overspend by £119k. As highlighted in the budget reports to Cabinet and Council, additional capacity is being kept under regular review and funded quarterly from the corporate contingency. This amount equates to two additional social workers. On top of the additional staff, the team also has to cover vacancies with agency staff.
- The Children with Disability section is also forecasting a £94k overspend on personal support budgets due to rising numbers of children with complex needs being supported in this way. These payments often prevent higher cost interventions being required, e.g. residential out of borough care placements.
- There are various other small over and underspends predicted across the division netting to a £54k underspend. These combine with the item described above to arrive at the total reported divisional overspend forecast of £1.242m.

Children's Social Care and Youth Inclusion Division

- The green and purple central social work teams and MASH team staffing budgets are expected to overspend by £688k. The teams are in a similar position to the CWD team with regards to six

additional social workers kept under review and funded quarterly from corporate contingency. On top of the additional staff, the teams are also required to cover vacancies with agency staff due to difficulty in recruiting permanent members of staff. This cost could fluctuate during the course of the year depending on our ability to recruit permanent members of staff to our vacancies. Subsequent to the November monitoring, a £74k retention payment to 37 permanent social workers was agreed to be paid which will be included as part of December budget monitoring.

- The NRPF budgets are forecast to overspend by £368k in CSC for the current financial year. See second bullet point under education division for details.
- The budget for semi-independent and supported lodgings/housing placements in the 14+ team is expected to overspend by £174k. This is due to a combination of one-off overspend as a result of CareFirst packages that was not accrued for in the previous financial year, and on-going support cost increasing.
- Special guardianship orders (SGOs), adoption allowances and residence orders are estimated to overspend by £136k during the current financial year due to an increase in caseload as well as increased fees resulting from case law.
- The independent review and service quality team is expected to overspend by £160k. This is due to the use of agency staff to cover permanent IRO and manager vacancies. 50% of the posts (6 of 12) in the service are covered by agency staff.
- The setting up home allowances budget is expected to overspend by £156k. This is due to a historic budget shortfall which used to be offset by underspends on supported lodgings which, due to increased statutory requirement, are now also overspending.
- We have been able to fund some elements of core salaries from specific one-off grants which will result in a £113k underspend on the service expenditure for the current year.
- The Children and Adolescent Mental Health Service (CAMHS) is expecting to underspend by £208k due to vacancies.
- There are various other small over and underspends predicted across the division netting to a £10k underspend. These combine with the item described above to arrive at the total reported divisional overspend forecast of £1.501m.

Redundancy costs

Detailed work is currently being undertaken to review the cost implication of high numbers of redundancy and lump sum pension costs relating to both Local Authority and school staff. The result of this will be reported as part of January budget monitoring.

Dedicated Schools Grant

DSG funded services are expected to underspend by an estimated £169k (£566k reported overspend last month) in 2014/15. These budgets are not within the council's general fund and any over or underspends cannot be offset against the local authority funded budgets. Any movement at year-end will be added to the DSG reserve and applied after consultation with Schools Forum. Variances between individual subjectives have been shown in the overall departmental subjective analyses.

The main overspend relates to post 16 SEN provision. The responsibility of these payments transferred to Authorities in 2013/14. The cost of Further Education (FE) colleges and Independent Specialist Providers (ISP) are expected to be £700k over budget as the DfE has not provided sufficient funding.

This overspend is offset by two year old offer underspend of £632k which will be earmarked to developing this market over the following two years to ensure sufficient capacity. There are various other smaller over and underspends predicted across the DSG which, combined with the items above, equates to the net underspend of £169k.

Management Action

Of the £500k public health underspend allocated to CSF, £415k will be used to offset Early Years costs relating to improving young children's health and wellbeing which enabled us to use existing general fund money to offset overspends on LAC placements.

Transport: a review of the costs of the provision involves all departments is taking place as part of our Transformation work. Issues regarding the costing methodology are being resolved and departments are working closely together to ensure the buses and taxis are used most cost efficiently. E&R are working hard to reduce staff sickness levels with the aim to reduce the cost of agency cover. Although sickness levels are reducing, it remain higher than the council average. The ability of the in-house service to transport children with very challenging needs remains an issue.

As previously mentioned, there are a considerable number of duties placed on the Local Authority which have not been fully funded or not funded at all. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	Nov overspend forecast £000	Oct overspend forecast £000
Supported lodgings/housing	627	391	426
Un-accompanied asylum seeking children (UASC)	346	148	142
No Recourse to Public Funds (NRPF)	20	432	342
Special guardianship orders (SGO) & residence orders	442	136	136
Fostering	0	15	15
Total	1,435	1,122	1,061

Young people aged between 18 and 21 now have the right to stay in their foster placements beyond 18 including whilst attending university. This means their fostering placement has to remain open to them and the in-house foster carer or Independent Fostering Agency will have to continue to be paid.

Young People on remand are classed as being LAC and also have access to care leavers' services across a range of budgets. These are in excess of the figures in the table above but included within the overall projections for the department. As the system does not separately identify costs relating to remand cases, it is not possible to identify this separately.

Unaccompanied Asylum Seeking Young People are also required to receive these leaving care services and we have 11 over 18s which is putting pressure on the UASC budget.

NRPF: The majority of families presenting needs are housing. Meetings are on-going to discuss options to reduce cost and strengthen processes and procedures. The work being undertaken by Housing Needs to stimulate supply will assist in reducing these costs. Discussions are on-going regarding the most economic way of procuring housing for families with no recourse to public funds.

Supported lodgings/housing placements: smarter commissioning practices through working with providers to negotiate reductions on placement costs and cost avoidance on proposed fee increases are being explored. The implementation of a "Staying Put" policy as required by new legislation which enables young people to remain in their foster placements post 18 is likely to be a cheaper option for those young people who request it rather than moving into semi-independent provision. We are also maximising the uptake of Housing Benefit for young people aged 18+.

Staff agency cover: The department has developed a scheme for newly qualified social workers (NQSW) with the aim to employ ten to twelve additional members of staff supported and quality assured by a practice assessment manager. Seven have already started with and a further 3 will start next year. We have also engaged an external organisation with the help of the recruitment section to source permanent social worker staff to reduce agency cover.

Of the £860k savings identified for 2014/15, it is expected that SEN transport and LAC and SEN placements will be partly delivered. Current estimates indicate that £768k will be achieved.

C) Community and Housing

As at the end of period 8 (November), C&H is forecast to over-spend by £1.789m an decrease of £227k since the October forecast

Community and Housing	2014/15 Current Budget £000	Full Year Forecast (Nov) £000	Forecast Variance (Nov) £000	Forecast Variance (Oct) £000	2013/14 Variance at year end £000
Access and Assessment	42,396	43,980	1,584	1,743	(1,256)
Commissioning	5,072	4,952	(120)	(85)	(116)
Direct Provision	4,174	4,975	801	787	214
Directorate	893	832	(61)	(48)	70
Contribution from Public Health	0	(500)	(500)	(500)	0
Adult Social Care	52,535	54,239	1,704	1,897	(1,088)
Libraries and Heritage	2,494	2,482	(12)	(30)	27
Merton Adult Education	(282)	(127)	155	159	(29)
Housing General Fund	2,003	1,945	(58)	23	(32)
Total (controllable)	56,750	58,539	1,789	2,016	(1,122)

This overspending for adult social care has been netted down by one off Public Health money of £500k & £290k of ASC reserves for DOLs meaning that the underlying over-spending is £2.589m. Less than 35% of the Savings agreed for the department have been delivered. £1.591m of shortfall in savings to be achieved is the main cause of the overspend.

Access and Assessment - £1,584k over-spend

Access and Assessment	Forecast Variance (Nov) £000	Forecast Variance (Oct) £000
Miles –Reablement over-spend	384	389
Other A&A under-spend	(759)	(778)
Gross Placements overspend	3,292	3,131
Sub-total Net over-spend	2,917	2,787
Over achievement of Client Contribution	(1,004)	(645)
Over achievement of CCG Contribution	(328)	(399)
Sub-Total over-achievement of Income	(1,333)	(1,044)
Total A&A Forecast over-spend	1,584	1,743

Over-view

Description	Budget £000	Forecast Variance (Nov) £000	Forecast Variance (Oct) £000
<u>Placements</u>			
Gross Placements	37,621	3,292	3,131
Client & CCG Contribution Income	(9,034)	(1,332)	(1,044)
NHS Social Care Transfer Income	(2,266)	0	0
Subtotal Net Placements	26,321	1,960	2,087
Concessionary Fares & Taxicard	9,045	(53)	(53)
Miles Reablement	1,714	384	389
Care-first	146	(131)	(131)
Other Access & Assessment	6,332	(576)	(549)
Total Access & Assessment	42,396	1,584	1,743
Commissioning			
Brokerage, Contracts, Performance & Planning & Comm	1,422	(156)	(133)
Voluntary Organisations - grants	832	167	175
Voluntary Organisations - contracts	426	(16)	(16)
Supporting People grant	2,392	(115)	(111)
Sub-total Commissioning	5,072	(120)	(85)
Direct Provision			
Supported Living	853	55	55
Day Centres	2,144	(31)	(51)
Day Centres - Transport	205	606	606
Residential	704	161	163
Mascot	(36)	(4)	1
Other Direct Provision	304	14	13
Subtotal Direct Provision	4,174	801	787
Directorate	893	(61)	(48)
Contribution from Public Health – Ageing Well Grants	0	(500)	(500)
Sub-total Adult Social Care	52,535	1,704	1,897
Libraries	2,494	(12)	(30)
Merton Adult Education	(282)	155	159
Housing			
Temporary Accommodation	95	0	0
Homelessness Prevention	353	28	57
Housing Advice & Options	554	(9)	(7)
Housing Needs	209	(45)	(44)
Housing Strategy	137	(8)	(8)
Housing Supply & Development	262	(4)	(4)
Housing Environmental Health	343	(20)	(17)
Merton Action Single Homeless	50	(2)	0
Sub-total Housing	2,003	(58)	(23)
Grand total Community and Housing	56,750	1,789	2,016

Placements Overspend £3.3m

The total gross placement budget for 2014-15 is £37.6m and forecast total commitment is £40.9m.

This includes £2.3m net growth allocated in setting the budget to deal with volume increases and savings of £1.916m through improved efficiency, procurement, service changes, and managing demand..

This is based on the latest data but is subject to wide potential variation.

The impact of the savings on the budget position for 2014-15 is being monitored.

The table below identifies the movement in care package numbers:

Activity Data – Care Package Numbers	No of Care Packages as at November 2013 (budget setting)	No of Care Packages as at Nov 2014	Increase/ (decrease) since Budget Setting	Total Yearly Commitment @ Nov 14 £000
Service Area				
Mental Health	157	144	(13)	£1,699
Physical and Sensory	289	284	(5)	£4,278
Learning Disabilities	369	406	37	£13,009
Older People	1,631	1,668	37	£21,136
Substance Misuse	8	15	7	£224
No recourse to public funds	12	15	3	£201
Transport				£331
Other Placement Expenditure				£27
TOTAL Gross placement expenditure	2,466	2,562	66	£40,913

Placement Pressures :-

Gross expenditure in the placements budget is complex to monitor and depends on CareFirst records and care packages always being up to date. It is essential to monitor that this continues.

Although there is evidence of success in managing demand and making specific savings, there are pressures in this area which are making it difficult to realise all savings. These include:

- Additional £158K commitment on Mental Health placements for joint funded placements. It has been agreed that the joint panel arrangements will be reviewed to ensure funding of placements are apportioned on a fair basis with the CCG.
- Transitions costs of £127k, from children coming through to adult services with greater and more complex needs. For example for those young people attending college, there is an increasing demand for accommodation and support to be arranged for them in holidays rather than their being with their families. This reflects the increased level of disability and challenging behaviour.
- A higher rate of dependency among those being discharged from hospital. One indicator for this is the number of people requiring two members of staff for transfers (e.g. between bed and chair), commonly referred to as “double ups”. The number requiring this has increased.

- Demography (e.g. increase in dementia in customers over 65 and corresponding increase in support needs)
- Greater challenge from the NHS in some cases where they have been funding or co-funding individuals
- The local provider market for social care. Merton has for some time had the benefit of lower than average unit costs and fees, partly through some long standing block contracts. As these block contracts are coming to an end the providers are demanding what they can get on the open market, and are comparing what Merton will pay with the rates they get from other neighbouring local authorities. This is in some cases causing cost increases.
- The Cheshire West judgement for Deprivation of Liberty Safeguards (DOLS). This Supreme Court interpretation of the Mental Capacity Act legislation has led to a much larger number of people in hospitals, care homes and community settings to require assessment as to whether they have the capacity to consent to where they are and, if they don't, whether the arrangement is in their best interests.
- The No Recourse to Public Funds (NRPF) has increased by 3 packages since budget setting , additional. The associated increase in cost is £20k .

Placements Income

The income budget was re-aligned as part of budget setting. However based on latest data, income is currently forecast to over-achieve by £1,333k. There is also increased claw back from Clients receiving Direct Payments.

The Income budgets needs to be adjusted with the expenditure budget to more closely align both to the real situation. The monitoring of income is a key budget area where enhancement of the monitoring is being further developed.

The effective overspend on net placements costs is therefore c. £2m

Commissioning under -spend £120k

Salaries budget is £175k under-spend due to vacancies across the commissioning team.

Supporting People grant is forecast to under-spend by £115k; however the Underspend is not guaranteed due to on-going contract negotiation and subsidy movements.

There is an over-spend of £151k on Voluntary organisations and contracts.

It has been agreed the affected Voluntary organisations currently receiving transitions payments will not receive any funding in 2015/16.

There are other small variances across the commissioning budgets of £20k

Direct Provision over-spend £801k

The main cause of the adverse variances is due to over-spend on the Transport SLA (Core-route) charges. This budget is forecast to over-spend by £606k. Operational measures have been taken to reduce volumes within the SLA, but this volume reduction has not been matched by a reduction in re-charges as the reduction proposed was not based upon actual variable costs.

Residential Homes are forecast to over-spend by £161k mainly due to salaries and Supported Living schemes are forecasting to over-spend by £55k.

Adult Social Care Management Action

A range of actions are being progressed to help reduce the projected over-spend, as follows:-

- **Staffing** - vacancies across Access and Assessment and Commissioning are being held to help offset the over spend, where such vacancies do not prohibit the delivery of our statutory duties. There is a continued reduction in agency staff usage.
- **Strengthened resource panel arrangements** - the panels now sit twice a week and there is representation from both the Brokerage and occupational therapy teams. Fully costed alternatives are required to be presented for every case in order to ensure the best value alternative.
- **Customer reviews** – the programme of customer review will intensify from November. The objective of the reviews is to ensure that customer's packages are appropriate to need and reduce any services that are not absolutely needed. This programme is contributing to 2014-15 savings and will also continue into 2015-16.
- **Improved performance information** - the quality of performance data has been adjusted over the past few months in order to ensure we can use more of the data to meet business needs. Team managers now get weekly updates on the volumes of support being authorised from the teams, which can in turn drive immediate discussions and decisions about bringing this into line with the budget. The data is now showing a reduction overall in home care hours and in care home admissions.
- **Third party contract re-negotiation** - following a nine month period of intense negotiations with Eltandia, commissioners have succeeded in securing a rate that though higher than that of our previous block contract, is below the going market rate. Such re-negotiations are on-going with other third party providers. An example is Choice Support with a full year reduction of £400k (£100k in last quarter). Commissioners have taken a collaborative approach to convince providers to continue to work with them.
- **Reablement restructure** - as previously indicated the restructure of the reablement service is underway, and the team are looking for additional opportunities to take costs out. However the restructure will take place in 2015/16.
- **ASC Redesign programme** - There is continuous scanning of best practice across the country in order to look for further savings. A recent example is the report from the Local Government Association.
- **Working with front line staff** – a conference with social workers has taken place and one for occupational therapists took place in November. A major component of these conferences is “promoting independence” and what professional practice needs to be in order to work to this principle.

Libraries- £12k under-spend

Libraries is reporting an under spend on the media fund and some short term vacancies.

MAE - £155k over-spend

Over-spend is mainly due to forecast under-achievement of Income due to changes in the SFA funding regime made after budget setting in previous years and the non delivery of savings

Although currently showing an overspend expenditure, the budget manager expects to contain expenditure within budget by the end of the financial year. This should happen once budget is realigned due to class closures. A detailed management action to demonstrate this is required

Strategic options for the service from 2015 onwards are being explored.

Housing - £58k under-spend

There are various small over and underspends predicted across Housing netting to a £23k overspend.

The main budget pressure is on the Homelessness Prevention budget, currently forecast to overspend by £28k based on the current spend to date. This budget cannot be viewed in isolation as if spending was restricted on rent deposits there would be a corresponding increase in the use of temporary accommodation.

Bed and Breakfast accommodation forecast is to be reviewed .

Public Health

Public Health is forecast to underspend by £720k, a decrease of £187k in the under-spend reported last month.

Public Health	2014/15 Current Budget	Full Year Forecast (Nov)	Forecast Variance (Nov)	Forecast Variance (Oct)	2013/14 Final Out- turn
	£000	£000	£000	£000	£000
PH - Directorate	1,137	1,069	(68)	(160)	631
PH- Contraception	706	717	11	11	589
PH - STI Testing and Treatment (GUM)	2,060	2,344	284	284	2,275
PH - SH Advice, Prevent and Promotion	360	267	(93)	(93)	301
PH - NHS Health check	248	243	(5)	(5)	172
PH - Falls Prevention	66	66	0	(7)	55
PH - Obesity	338	334	(4)	(4)	357
PH – Live well (including smoking cessation)	355	316	(39)	(39)	346
PH - Substance Misuse (drugs and alcohol)	2,057	1,717	(340)	(340)	1,837
PH - School Nursing (including National Child Measurement programme)	628	612	(16)	(16)	570
PH - Surveillance and Control of Infectious Diseases	10	10	0	(55)	0
PH - Community Services Contract Estates	282	282	0	91	188
PH - New Investments	879	429	(450)	(575)	0
Total Public Health (controllable)	9,126	8,406	(720)	(908)	7,321
PH – Non-Recurrent Projects funded from Reserves	1,306	1,306	0	0	0
Total Public Health (including funding from Reserves)	10,432	9,524	(720)	(908)	7321

The main causes of the forecast underspend on Public Health involve the capacity issues in the Public Health team reported earlier, as well as the need for the Council to make savings, which has had a knock-on effect on delivery of public health initiatives in the Council. Public Health has been fully staffed from end September and action plans are in place with each of the Council directorates. Some expenditure has had to await reviews of inherited services. These reviews are nearing completion, when the Public Health team will begin procurement of services based on review recommendations.

Salaries budget is forecast to underspend by £100k due to delays in recruitment.
All posts have now been recruited to.

There is an additional £124k in this months forecast for various Consultancy projects, including Cancer Health Needs, Alcohol strategy ,CASH (Contraception and Sexual Health) & HIV Pilot. An update on these projects will be provided.

£120k of prescribing costs is also included in the forecast.
Activity data has been requested and estimated costs will be updated.

£1.306m budget has now been transferred from reserves for non-recurrent projects.
There are also challenges to Public Health budget from MCCG of £900k

3D) Environment & Regeneration

Environment & Regeneration	2014/15 Current Budget	Full year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)	2013/14 Final Out- turn
	£000	£000	£000	£000	£000
Public Protection	(6,921)	(6,881)	40	24	243
Sustainable Communities (Excl. T&H)	3,441	3,414	(27)	29	(54)
Traffic & Highways (T&H)	8,129	8,397	268	353	(122)
Waste Services	14,159	15,370	1,211	1,287	(1,116)
Safer Merton	1,043	927	(116)	(123)	(63)
Other	(759)	(947)	(188)	(105)	537
Total (Controllable)	19,092	20,280	1,188	1,465	-575

Description	2014/15 Current Budget £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000
Employee overspend in Parking Services	2,476	27	31
Underachievement of income in Parking Services	(12,228)	131	29
Other	2,831	(118)	(36)
Total for Public Protection	(6,921)	40	24
Employee overspend within B&DC	1,580	209	253
General Supplies & Services underspend within B&DC	232	(64)	(113)
Employee related underspend within Traffic & Highways	1,804	(252)	(227)
General Supplies & Services underspend within Traffic & Highways	283	(82)	(89)
Reduction in ability to Capitalise expenditure	(464)	464	464
Underspend on third party payments within Traffic & Highways	2,379	(96)	(52)
Underachievement of Customer & Client Receipts in Traffic & Highways	(1,453)	216	254
Overachievement of rental income in Property Management	(4,042)	(131)	(107)
Employee overspend within Greenspaces	2,252	112	140
Trees maintenance overspend within Greenspaces	669	77	(5)
Overachievement of Other Grants & Contributions within Greenspaces	(97)	(146)	(99)
Underachievement of Customer & Client Receipts within Greenspaces	(1,792)	125	111
Overachievement of Other Grants & Contributions within Future Merton	(593)	(62)	41
Employee underspend within Senior Mgmt & Support	758	(74)	(74)
Other	10,054	(55)	(115)
Total for Sustainable Communities	11,570	241	382
Employee overspend within Waste Services	7,235	244	192
Transport related underspend within Waste Services	1,969	(159)	(167)
General Supplies & Services underspend within Waste Services	1,072	(201)	(227)
Overspend on 3 rd Party Payments – principally SLWP	6,575	823	828
Shortfall in Waste Services income – principally Commercial Waste	(3,067)	545	673
Other	375	(41)	(12)
Total for Waste Services	14,159	1,211	1,287
Transport Services	(759)	(188)	(105)
Total for Street Scene & Waste (Excl. Waste Services)	(759)	(188)	(105)
Employee underspend Safer Merton	840	(119)	(123)
Other	203	3	0
Total for Safer Merton	1,043	(116)	(123)
Total Excluding Overheads	19,092	1,188	1,465

Overview

The department is currently forecasting an overspend of £1,188k at year end. The main areas of variance are Waste Services, Traffic & Highways, Greenspaces, Safer Merton, Parking Services, and Transport Services.

Pressures

Public Protection

Parking Services

The section is currently forecasting an overspend of £135k, which is due to a reduction in PCN related income during November. The trend in recent years show that there is generally a drop in income during November and December which recovers to its previous levels for January to March. However, October was the first month where a significant increase in income was apparent as a result of the employment of additional agency CEOs and a prudent approach has therefore been adopted in the forecast at this stage as it is not possible to predict whether the January to March income will more than

compensate for the cyclical reductions of November and December. Also contributing to the overspend is the free parking scheme for Christmas in Council car parks reducing anticipated income by £60k

Sustainable Communities

Greenspaces

The section is forecasting an overspend of £203k due to a few factors. Firstly, an employee overspend of £112k is being forecast, which is as a result of overtime payments to cover for absences, such as annual leave and sickness, in order to maintain service standards (£60k), staffing the paddling pools (£40k), Wimbledon fortnight (£15k), and staffing of the firework displays (£15k). Secondly, an underachievement of income totalling £125k is expected relating mainly to sports bookings (£48k), and the hiring of openspaces e.g. Wimbledon Park athletics track (£60k). These overspends are being partially mitigated by the reversal of a prior year corporate write-off totalling £90k.

Traffic & Highways

The section is forecasting an overspend of £268k, mainly as a result of a clearer understanding of guidelines and actual patterns of expenditure meaning that the section charges a lower level of highways maintenance spend to Capital than previously and, as a result, incurs increased revenue costs. A permanent solution is being progressed for the 2015/16 financial year.

The section also has a forecast income shortfall of £216k, mainly relating to the London Permitting Scheme (LoPS) and street work activities, due to greater compliance.

These forecast overspends are being partially offset by an employee underspend of about £252k.

Senior Management & Support

An underspend of £127k is being forecast due to a combination of not filling vacant posts in order to contribute towards the department's mitigating actions (£74k), and an underspend on supplies & services (£40k).

Street Scene & Waste

Waste Services

The section is currently forecasting an overspend of £1,211k, mainly due to a forecast shortfall in Customer & Client receipts of £545k – more specifically on Commercial activities (including Commercial Waste, clinical waste and bulky waste collection) which is forecasting an income shortfall of around £599k, down from £709k last month. This compares to a shortfall of £389k in 2013/14. However, an agreed saving of £250k has been implemented in 2014/15 for Commercial Waste.

Following a commercial review of the trade service by Eunomia, the service is currently implementing the agreed action plan. A permanent solution is also being progressed for the 2015/16 financial year.

In addition, the section is currently projecting an employee related overspend of about £192k. This is as a result of a combination of issues, including the need to realign the budget with the actual cost of activities undertaken by refuse collection and street cleansing. There is also an element of non-contractual overtime and agency cover for sick leave absences. Actions are being taken in order to reduce this overspend wherever possible, including an action plan to reduce the level of sick leave absence, and not covering absences with agency staff where this does not impact on service delivery.

The section is also projecting an overspend of £365k relating to the operational and disposal costs associated with the management of the HRRC and transfer station.

The forecast overspend also includes some one-off costs. Firstly, a couple of Household Re-use and Recycling Centre (HRRC) invoices relating to the previous financial year were not accrued for (£229k). Secondly, a sundry debtor balance whereby the income relating to the food waste rebate as a result of the contract renegotiations was over-estimated (£309k). These two one-off costs contribute a total of £538k towards the overall forecast overspend on third party payments of £828k.

Transport Services

The section is forecasting an underspend of £188k, mainly as a result of an employee underspend of £95k, and an overachievement of income of £86k. The employee underspend is due to a few factors. Firstly, in order to reduce costs and improve efficiency, a restructure was implemented that combined the two manager posts into one. Secondly, due to difficulty in recruiting suitably skilled vehicle fitters, the section has only recently been able to appoint to one of the two vacant posts.

The overachievement of income is mainly as a result of securing additional external work, over and above their original expectations.

Work continues with analysing the varying forecasts seen within E&R and the client departments, so that a permanent solution can be achieved for 2015/16.

Safer Merton

An underspend of £116k is being forecast as a result of vacant posts remaining unfilled. A reorganisation is currently being proposed and the position will not be changed until this is concluded.

Management Action

The department is implementing actions to mitigate the budget pressures where possible, and all managers are aware of the need to contain expenditure and maximise income wherever possible. Corporate guidance regarding the filling of vacant posts will be strictly adhered to.

(E) Corporate Items

The details comparing actual expenditure up to 30 November 2014 against budget are contained in Appendix 2. The main areas of variance as at 30 November 2014 are:-

Corporate Items	Current Budget 2014/15 £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct.) £000s	2013/14 Year end Variance £000s
Cost of borrowing	14,103	14,032	-71	-71	-166
Use for Capital Programme	0	71	71	71	512
Impact of Capital on revenue budget	14,103	14,103	0	0	346
Investment Income	-522	-676	-154	-154	-346
Pension Fund	13,434	14,438	1,004	0	21
Pay and Price Inflation	1,619	1,507	-112	0	-314
Contingencies and provisions	3,982	2,793	-1,189	-989	845
Income Items	0	0	0	0	-177
Appropriations/Transfers	-6,029	-7,033	-1,004	0	2,051
Central Items	12,484	11,029	-1,455	-1,143	2,080
Levies	931	931	0	0	0
Depreciation and Impairment	-15,227	-15,227	0	0	3
TOTAL CORPORATE PROVISIONS	12,291	10,836	-1,455	-1,143	2,429

There has been an increase of £0.312m in the forecast underspend since October. It is anticipated that there will an underspend of £0.112m in the provision for inflation in excess of 1.5% due to the continuing fall in the level of inflation. It is further anticipated that the provision for loss of income due to P3/P4 will underspend by £0.2m.

There are no other significant variations in the corporate expenditure forecast against budget in November.

4. CAPITAL PROGRAMME 2014-18 – November Monitoring - Agenda Item 5

4.1 Capital Expenditure

- 4.1.1 Over the past three financial years considerable work has been undertaken to reduce the Capital Programme to levels that can be delivered with our current staffing complement. Historically this has been shown to be around £40 million per annum, in 2013/14 this reduced to £30 million. The December Cabinet approved capital programme was just over £47.3 million, the proposed programme is £44.534 million.

Depts.	Spend To Nov 2012	Spend To Nov 2013	Spend To Nov 2014	Variance 2012 to 2014	Variance 2013 to 2014
C&H	427	868	415	(11)	(452)
CS	1,244	2,418	679	(565)	(1,738)
CSF	19,698	6,210	11,314	(8,384)	5,104
E&R	5,415	5,966	2,995	(2,419)	(2,970)
Total Capital	26,784	15,462	15,405	(11,379)	(57)

Outturn £000s	40,487	31,564	
Budget £000s			44,534
Projected Spend Nov 2014 £000s			42,153
Percentage Spend to Budget			34.59%
Percentage Spend to Outturn/Projection	66.15%	48.99%	36.54%
Monthly Spend to Achieve Projected Outturn £			6,687

- 4.1.2 November is eight months (two thirds) through the financial year, however, departments have only spent 34.6% of their budget or 36.5% of their forecast, in the last two years spend was in the region of 55% of the final outturn by this point. To achieve a projected spend of £42.2m officers will need to spend almost £6.7m per month for each of the remaining 4 months. The table below shows that in October 2014 departments have managed to spend just over £2.1 million.

Department	Spend To Oct 2014	Spend To Nov 2014	Variance
C&H	281	415	134
CS	645	679	34
CSF	10,191	11,314	1,123
E&R	2,174	2,995	821
Total Capital	13,291	15,405	2,114

4.2 Capital Programme 2014/15

4.2.1 The table below summarises the position in respect of the Capital Programme as at November 2014 the detail is shown in Appendix 5a:

Merton Summary Capital Report - November 2014 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,765,230	415,424	633,045	(217,621)	2,765,230	0
Corporate Services	5,220,050	679,468	2,051,847	(1,372,380)	3,622,756	(1,597,294)
Children Schools and Families	25,053,540	11,314,433	12,874,407	(1,559,975)	24,576,727	(476,813)
Environment and Regeneration	11,495,060	2,995,482	4,968,860	(1,973,378)	11,188,474	(306,586)
Total Capital	44,533,880	15,404,807	20,528,159	(5,123,354)	42,153,187	(2,380,693)

Merton Summary Capital Report - November 2014 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,765,230	415,424	633,045	(217,621)	2,765,230	0
Corporate Services	5,220,050	679,468	2,051,847	(1,372,380)	3,622,756	(1,597,294)
Children Schools and Families	25,129,540	11,314,433	12,874,407	(1,559,975)	24,576,727	(552,813)
Environment and Regeneration	11,005,060	2,995,482	4,968,860	(1,973,378)	10,775,474	(229,586)
Total Capital	44,119,880	15,404,807	20,528,159	(5,123,354)	41,740,187	(2,379,693)

Notes

1. Corporate Services the bulk projected under spend is due to two corporate schemes – Acquisitions (£1,042k) and Capital Bidding Fund (£500k)
2. Children, Schools and Families the projected in year underspend relates to two schemes – school equipment loans £312,800 any unspent balance on this code will automatically be carried forward into 2015/16.
3. Environment and Regeneration – the projected underspends is caused by projected underspends on a number of schemes. In addition £125k of the Mitcham Town Centre Budget is being transferred to revenue.

4.2.2 The adjustments being made to the capital programme are detailed in Appendix 5b and the impact on funding of these changes is detailed in Appendix 5c. Four virements require Cabinet Approval these are:

<u>Narrative</u>	<u>2014/15</u>
	<u>£</u>
Belvederes and Ridgway Place	70,000
Wheelie Bins - Pilot	48,000
Taylor Rd Day Centre - Improvement Works	25,000
Highways bridges & structures	(143,000)
Transformation Budgets	(512,170)
Disaster Recovery	512,170
London Rd Cemetery Extension	340,000
	<u>2015/16</u>
	<u>£</u>
Match Funding for GLA Bid from Future Merton	122,000
Capital Bidding Fund	(122,000)
Expansion Inflation Contingency	180,000
Dundonald Expansion	(180,000)

Officers have received a request to re-profile £200k from 2014/15 to 2015/16 for one of the Colliers Wood Regeneration Schemes. This scheme is funded by the GLA, once confirmation is received to allow the expenditure to be moved into 2015/16 this request will be progressed. There will be additional re-profiling from 2015/16 into subsequent financial years as part of the December Financial Monitoring Report

4.2.3 The Table below shows the adjustments to the Capital Programme since its approval in March 2014:

Changes to the Capital Programme 2014/15 since March 2014

Depts.	Original Budget 14/15	Slippage 2013/14	Reductions	New External Funding	New Internal Funding	Re-profiling	Revised Budget 14/15
CSF	27,193	304	0	987	0	(3,431)	25,053
CS	8,829	169	(550)	10	0	(3,238)	5,220
C&H	2,603	302	(170)	577	244	(791)	2,765
E&R	15,920	1,368	(30)	1,093	1,640	(8,495)	11,496
Total	54,545	2,143	(750)	2,667	1,884	(15,955)	44,534

4.2.5 The Table below details the changes made to the approved programme within Appendix 5a-c.

Depts.	October Monitoring Budget 2014/15	Variance	Nov 2014 Monitoring Budget 2014/15	October Monitoring Budget 2015/16	Variance	Nov 2014 Monitoring Budget 2015/16	Octo Monitoring Budget 2016/17	Variance	Nov 2014 Monitoring Budget 2016/17	Octo 2014 Monitoring Budget 2017/18	Variance	Nov 2014 Monitoring Budget 2017/18
CSF	25,265	(212)	25,053	17,941	(1,978)	15,963	22,087	2,190	24,277	21,399	0	21,399
CS	5,936	(716)	5,220	5,000	594	5,594	3,862	0	3,862	2,881	0	2,881
C&H	3,019	(254)	2,765	1,807	254	2,061	1,334	0	1,334	340	0	340
E&R	13,098	(1,603)	11,495	17,111	1,985	19,096	17,335	0	17,335	5,501	0	5,501
Total	47,318	(2,784)	44,534	41,859	854	42,713	44,618	2,190	46,808	30,121	0	30,121

5. DELIVERY OF SAVINGS FOR 2014/15

The table below shows that 2014/15 savings have been substantially delivered by Service Departments, with the exception of Community and Housing. The shortfalls will need to be fully delivered in 2015/16 or alternatives identified in addition to future years savings targets.

Department	Target Savings 2014/15	Projected Savings 2014/15	Period 8 Forecast Shortfall	Period 8 Forecast Shortfall	Period 7 Forecast Shortfall
	£000's	£000's	£000's	%	%
Corporate Services	1,650	1,590	(60)	(3.6)%	(3.6)%
Children Schools and Families	860	768	(92)	(10.7)%	(10.7)%
Community and Housing	2,465	874	(1,591)	(64.5)%	(76.3)%
Environment and Regeneration	3,338	2,847	(491)	(14.7)%	(14.2)%
Total	8,313	6,079	(2,234)	(26.9)%	(30.2)%

The overspendings identified in the report will also need to be eliminated before 2015/16. Detailed progress on savings by department is reported in Appendix 6.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1 Officers are currently reviewing risks and issues facing the Authority, the revised Key Strategic Risk Register as at June 2014 will be reported to Cabinet as part of the July Monitoring Report.

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

Appendix 1 – Detailed monthly position table

Appendix 2 – Detailed Corporate Items table

Appendix 3 – Pay and Price Inflation as at June 2012

Appendix 4 – Treasury Management: Outlook

Appendix 5a – Current Capital Programme 2014/15 – July Monitoring Information

Appendix 5b – Adjustments to the Capital Programme

Appendix 5c – Funding the Capital Programme

Appendix 6 – Progress on Savings

Appendix 7 - Forecast year end variance by department

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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**Summary Position as at 30th
November 2014**

APPENDIX 1

	Original Budget 2014/15 £000s	Current Budget 2014/15 £000s	Year to Date Budget (Nov) £000s	Year to Date Actual (Nov) £000s	Full Year Forecast (Nov) £000s	Forecast Variance at year end (Nov) £000s	Forecast Variance at year end (Oct) £000s	Outturn Variance 2013/14 £000
Department	-							
3A. Corporate Services	11,285	13,619	19,790	17,570	13,666	47	(599)	(732)
3B. Children, Schools and Families	48,040	48,620	118,325	116,503	52,067	3,447	3,099	556
3C. Community and Housing	-							
Adult Social Care	55,894	56,495	37,241	38,447	58,199	1,704	1,897	(1,088)
Libraries & Adult Education	3,232	3,212	2,396	2,266	3,357	145	143	(2)
Housing General Fund	2,207	2,280	1,550	2,006	2,221	(59)	(23)	(32)
3D. Public Health	0	1,306	459	(2,413)	1,306	0	(1)	0
3E. Environment & Regeneration	22,853	24,717	10,006	6,087	25,904	1,187	1,465	(576)
Overheads	0	0	0	0	0	0	0	55
NET SERVICE EXPENDITURE	143,511	150,250	189,767	180,466	156,720	6,470	5,980	(1,820)
3E. Corporate Items	-							
Impact of Capital on revenue budget	14,103	14,103	4,461	4,184	14,103	0	0	0
Other Central items	3,996	-2,743	1,890	491	-4,198	-1,455	-1,143	2,429
Levies	931	931	653	653	931	0	0	0
TOTAL CORPORATE PROVISIONS	19,030	12,291	7,004	5,328	10,836	-1,455	-1,143	2,429
TOTAL GENERAL FUND	162,541	162,541	196,771	185,794	167,556	5,015	4,837	610
- Funding	-							
- Business Rates	-33253	-33253	-6271	6271	-33253	0	0	0
- RSG	-39738	-39738	-24832	-24832	-39738	0	0	-249
- Council Tax Freeze Grant 2014/15	-858	-858	-597	-597	-858	0	0	-13
- Section 31 Grant	-1118	-1118	-480	-480	-1199	-81	-81	-346
- New Homes Bonus	-3199	-3199	-2169	-2169	-3199	0	0	0
- PFI Grant	-4797	-4797	-2398	-2398	-4797	0	0	0
Grants	-82,963	-82,963	-36,747	-24,205	-83,044	-81	-81	-610
Collection Fund - Council Tax Surplus(-)/Deficit	-4608	-4608	0	0	-4608	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	372	372	0	0	372	0	0	0
Council Tax						0	0	
- General	-75049	-75049	0	0	-75049	0	0	0
- WPCC	-293	-293	0	0	-293	0	0	0
Council Tax and Collection Fund	-79578	-79578	0	0	-79578	0	0	0
FUNDING	-	-	-	-	-	-	-	-
	162,541	162,541	-36,747	-24,205	162,622	-81	-81	-610
NET	0	0	160,024	161,589	4,934	4,934	4,756	-1

	Current Budget 2014/15	Year to Date Budget (Nov)	Year to Date Actual (Nov)	Full Year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)	Outturn variance 2013/14
Expenditure	£000	£000	£000	£000	£000	£000	£000
Employees	94,695	62,586	62,928	96,045	1,350	1,729	275
Premises Related Expenditure	9,150	6,727	5,056	9,125	(24)	(249)	(891)
Transport Related Expenditure	13,636	8,805	8,904	14,767	1,131	1,592	20
Supplies and Services	170,572	105,438	100,175	168,872	(1,700)	(747)	1,933
Third Party Payments	85,221	56,977	54,613	91,501	6,280	5,936	(2,106)
Transfer Payments	108,346	6,802	7,237	105,057	(3,289)	(3,956)	6,442
Support Services	32,421	0	1	32,420	(1)	(1)	1,501
Depreciation and Impairment Losses	15,227	0	0	15,226	(1)	(1)	(0)
Corporate Provisions	12,291	7,004	5,328	10,836	(1,455)	(1,143)	2,429
GROSS EXPENDITURE	541,560	254,339	244,243	543,850	2,291	3,161	9,603
Income							
Government Grants	(264,568)	(8,984)	(10,808)	(260,465)	4,103	3,712	(6,425)
Other Grants, Reimbursements and Contribs	(24,771)	(11,835)	(11,054)	(25,987)	(1,217)	(1,074)	(2,361)
Customer and Client Receipts	(56,561)	(36,619)	(36,318)	(57,636)	(1,075)	(1,329)	(1,141)
Interest	(44)	0	0	(19)	25	25	25
Recharges	(33,020)	(97)	(6)	(33,019)	1	1	(1,446)
Balances	(55)	(33)	(263)	832	887	341	2,352
GROSS INCOME	(379,019)	(57,567)	(58,449)	(376,294)	2,725	1,677	(8,994)
NET EXPENDITURE	162,541	196,772	185,794	167,556	5,015	4,837	610

3E. Corporate Items	Council 2014/15 £000s	Original Budget 2014/15 £000s	Current Budget 2014/15 £000s	Year to Date Budget (Nov.) £000s	Year to Date Actual (Nov.) £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct) (Oct) £000s
Cost of Borrowing	14,103	14,103	14,103	4,461	4,184	14,032	-71	-71
Use for Capital Programme	0	0	0	0	0	71	71	71
Impact of Capital on revenue budget	14,103	14,103	14,103	4,461	4,184	14,103	0	0
Investment Income	-522	-522	-522	-348	-292	-676	-154	-154
Pension Fund	13,434	13,434	13,434	6,059	6,059	14,438	1,004	0
Corporate Provision for Pay Award	807	807	807	404	0	807	0	0
Provision for inflation in excess of 1.5%	538	538	512	0	0	400	-112	0
Utilities Inflation Provision	300	300	300	0	0	300	0	0
Pay and Price Inflation	1,645	1,645	1,619	404	0	1,507	-112	0
Contingency	1,500	1,500	1,013	0	24	24	-989	-989
Single Status/Equal Pay	100	100	100	58	18	100	0	0
Bad Debt Provision	500	500	500	0	0	500	0	0
Loss of income arising from P3/P4	400	400	400	0	0	200	-200	0
Revenuisation and miscellaneous	2,166	2,166	1,969	0	0	1,969	0	0
Contingencies and provisions	4,666	4,666	3,982	58	42	2,793	-1,189	-989
Local Services Support Grant					-31	0	0	0
Income items	0	0	0	0	-31	0	0	0
Appropriations: CS Reserves	0	0	-1,885	-1,885	-1,885	-1,885	0	0
Appropriations: E&R Reserves	0	0	-1,819	-73	-73	-1,819	0	0
Appropriations: CSF Reserves	0	0	-349	-349	-349	-349	0	0
Appropriations: C&H Reserves	0	0	-670	-670	-670	-670	0	0
Appropriations: Public Health Reserves	0	0	-1,306	-1,306	-1,306	-1,306	0	0
Appropriations: Corporate Reserves	0	0	0	0	-1,004	-1,004	-1,004	0
Appropriations/Transfers	0	0	-6,029	-4,283	-5,287	-7,033	-1,004	0
Depreciation and Impairment	-15,227	-15,227	-15,227	0	0	-15,227	0	0
Central Items	18,099	18,099	11,360	6,351	4,675	9,905	-1,455	-1,143
Levies	931	931	931	653	653	931	0	0
TOTAL CORPORATE PROVISIONS	19,030	19,030	12,291	7,004	5,328	10,836	-1,455	-1,143

Pay and Price Inflation as at November 2014

In 2014/15, the budget includes 1% for increases in pay and 1.5% for increases in general prices, with an additional amount of £0.517m which is held to assist services that may experience price increases greatly in excess of the 1.5% inflation allowance provided when setting the budget. At present it is not anticipated that there will be a significant call on this budget but this will not be released until there is greater clarity.

Pay:

2014/15 – The MTFS approved by Council on the 5th March 2014 includes 1% for increases in pay. This equates to £0.807m and is held as a corporate provision.

The pay award has now been agreed. It is a two-year deal up to 31 March 2016 which equates to an increase of around 2.35% on average. It will be in the form of a basic pay increase from 1 January 2015 - to last 15 months; plus a lump sum Staff employed on 1 December 2014 and pegged to spinal column points (scp) 5 – 49 will qualify for two lump sum pensionable payments. National Employers had made provision for one part to be paid in December and the second part to be paid in April 2015. However, Members of Merton Council are keen to offer staff both payments in the run-up to Christmas and have therefore agreed to exercise their local discretion to pay both parts of the non-consolidated lump sum for eligible staff in December 2014 salaries. Staff employed on spinal column points 50 and above are not eligible for either of these lump sum payments.

The pay increase will be paid to all staff on all the Greater London Provincial Council (GLPC) spinal column pay points from 1 January 2015. Merton Council reflects the Outer London Pay Spine Points. The agreed percentage increases are as follows:

Scp 5 – 8.56%
 Scp 6 – 7.93%
 Scp 7 – 6.19%
 Scp 8 – 4.13%
 Scp 9 – 2.55%
 Scp 10 – 2.32%
 Scp 11 and above – 2.2%

Further work is currently underway to calculate the financial implications for 2014/15 and the implications for pay budgets over the period of the MTFS.

The Government has previously stipulated that it wants to restrict public sector pay awards to an average of 1% for 2014/15 (Autumn Statement 2011) and 1% for 2015/16 (Spending Round 2013).

Prices:

CPI annual inflation was 1.0% in November 2014, which is down from 1.3% in October 2014. Falls in transport costs, notably for motor fuels, air transport and second-hand cars, and also in prices of recreational and cultural goods, were the main contributors to fall in the rate of inflation. CPIH, the measure of consumer price inflation including owner occupiers' housing costs, grew by 1.0% in the year to November 2014, down from 1.3% in October 2014. Owner occupiers' housing costs increased by 0.1% between November 2014 and October 2014.

RPI annual inflation stands at 2.0% in November 2014, down from 2.3% in October 2014.

Outlook for inflation:

On 4 December 2014, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves. The MPC reached its decisions in the context of the monetary policy guidance announced alongside the publication of the August 2013 Inflation Report.

In the minutes, released on 17 December 2014, the MPC noted that "the decline in CPI inflation over the previous 18 months could mostly be attributed to a reduction in the contribution from food and energy prices. In the October data, the contribution of these components to twelve-month CPI inflation had been 1 percentage point lower than in June 2013. The appreciation of sterling over the past 18 months was also likely to have borne down on the level of consumer prices. But these factors were not the only reasons that the rate of CPI inflation was below the 2% target. The inflation rate of the most labour-intensive service prices had fallen abruptly in the initial stages of the recession as a margin of spare capacity had opened up and wage growth had fallen back. Since then, such service price inflation had remained consistently subdued by historical standards, driven by weak domestic labour cost growth. The outlook for inflation, therefore, depended crucially both on the impact of movements in food, energy and other imported prices, and on the evolution of the labour market." However in reaching its decision the MPC noted that "In the near term, CPI inflation was expected to dip below 1%, probably in the December data. The expected near-term profile of inflation was somewhat weaker than had been assumed at the time of the November *Inflation Report* because of the further reduction in sterling oil prices. In the medium term, the extent of inflationary pressure, and thus the appropriate path for monetary policy, would depend, as before, on: the persistence of the effects of reduced energy, food, and other imported prices on CPI; inflation expectations; and the evolution of the labour market and, in particular, the degree of slack and consequent growth of wages relative to labour productivity. In light of the degree of uncertainty over all three of these factors, a wide range of outcomes for inflation was possible.

In terms of unemployment the MPC's view is that although the unemployment rate had fallen by 0.3 percentage points to 6.0% in Q3 and the pace at which employment was increasing had remained above historical norms "there were some signs in the official data and from business surveys that both the rate of employment growth and the speed at which unemployment was falling were beginning to slow."

The quarterly inflation report for November 2014 was published on 12 November. This provided an overview of expectations relating to the inflation forecast based on latest economic data. The report indicated that, although UK domestic demand growth remained robust, the outlook for global growth has weakened and is expected to slow slightly in the near term. Specifically, in respect of inflation, it was noted that "inflation has fallen further below the MPC's 2% target, reflecting the impact of lower food, energy and import prices and some continued drag from domestic slack. Inflation is expected to remain below the target in the near term, and is more likely than not to fall temporarily below 1% at some point over the next six months. It then rises gradually back to the target as external pressures fade and unit labour cost growth picks up. The MPC's guidance on the expected path for Bank Rate continues to apply. When Bank Rate does begin to rise, the pace of rate increases is expected to be gradual, with rates probably remaining below average historical levels for some time."

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

Source: HM Treasury - Forecasts for the UK Economy (December 2014)			
2014 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.0	2.1	1.3
RPI	1.8	2.7	2.2
LFS Unemployment Rate	5.7	6.3	5.9
2015 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.0	3.0	1.7
RPI	1.2	3.6	2.6
LFS Unemployment Rate	3.2	5.9	5.3

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.

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. On 4 December 2014, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

In the minutes, published on 17 November 2014, the MPC noted that during the month there had been a continued decline in global long-term interest rates and oil prices had fallen significantly further. Since June some non-oil commodity prices had also weakened significantly. There was also a pattern of a slower housing market since the summer. Consumer spending was estimated to have increased by 0.8% in the third quarter, and by 2.3% over the previous year, the strongest four-quarter growth rate since before the financial crisis. This appeared consistent with the continued high levels of consumer confidence indicators. With respect to the impact of the Government's *Autumn Statement* on 3 December, the MPC considered that "the Chancellor's *Autumn Statement*, and the accompanying economic and fiscal projections from the Office for Budget Responsibility, had set out the latest fiscal plans and forecasts. An initial analysis indicated that, in macroeconomic terms, the incremental effects of the changes to the plans announced in the *Autumn Statement* were small by comparison with the fiscal consolidation that was already underway and that had been factored into the MPC's November *Inflation Report* projections."

In the quarterly inflation report for November 2014, the Bank of England's MPC Committee noted that "the UK domestic expansion has continued largely as expected, but the global backdrop has weakened. Some asset and commodity prices have fallen, as have market interest rates. CPI inflation has fallen ... in part reflecting falls in energy, food and other import prices, and it is more likely than not that CPI inflation will temporarily fall below 1% at some point during the next six months. Wage and unit labour cost growth remain weak. The expansion in UK output is expected to continue, driven by a gradual pickup in demand abroad, together with a revival in productivity at home. On an assumption that Bank Rate rises gradually to a little under 2%, as the remaining slack in the economy is absorbed and the drag from external prices wanes, a recovery in wage growth should return CPI inflation to the 2% target by the end of the forecast period."

The weakening position is associated with falls in market interest rate forecasts and as a result the MPC are forecasting a notably lower path for Bank Rate than it was forecasting in August. This is summarised in the following table:-

	End Q.4 2014	End Q.1 2015	End Q.2 2015	End Q.3 2015	End Q.4 2015	End Q.1 2016	End Q.2 2016	End Q.3 2016	End Q.4 2016	End Q.1 2017	End Q.2 2017	End Q.3 2017	End Q.4 2017
November	0.4	0.5	0.6	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.5	1.7	1.7
August	0.6	0.7	0.9	1.1	1.3	1.5	1.7	1.9	2.0	2.1	2.2	2.3	

Source: Bank of England Inflation Report November 2014

Low inflation is currently helping the Bank of England to keep rates low.

The MPC makes its decisions in the context of the monetary policy forward guidance announced alongside the publication of the August 2013 Inflation Report. This guidance was summarised and reported in the July 2013 monitoring report.

The Inflation Report for February 2014 provided a summary of the Bank of England's approach to its proposed monetary policy as the economy recovers and once the unemployment threshold has been reached:-

- The MPC sets policy to achieve the 2% inflation target, and, subject to that, to support the Government's economic policies, including those for growth and employment.
- Despite the sharp fall in unemployment, there remains scope to absorb spare capacity further before raising Bank Rate.
- When Bank Rate does begin to rise, the appropriate path so as to eliminate slack over the next two to three years and keep inflation close to the target is expected to be gradual.
- The actual path of Bank Rate over the next few years will, however, depend on economic developments.
- Even when the economy has returned to normal levels of capacity and inflation is close to the target, the appropriate level of Bank Rate is likely to be materially below the 5% level set on average by the Committee prior to the financial crisis.
- The MPC intends to maintain the stock of purchased assets at least until the first rise in Bank Rate.
- Monetary policy may have a role to play in mitigating risks to financial stability, but only as a last line of defence if those risks cannot be contained by the substantial range of policy actions available to the Financial Policy Committee and other regulatory authorities.

The Bank of England published the August Inflation Report on 13 August. Changes to the Bank Base Rate will depend on how quickly the economy recovers and will be set to achieve the inflation target of 2%.

The MPC sets monetary policy to meet the 2% target in the medium term and in a way that helps to sustain growth and employment.

Community & Housing Summary Capital Report - November 2014 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	297,100	76,456	138,805	(62,349)	297,100	0
Adult Education and Community	1,980	0	0	0	1,980	0
Housing						
The Gables Mitcham	577,300	0	100,000	(100,000)	577,300	0
8 Wilton Road	489,240	57,413	109,240	(51,827)	489,240	0
Western Road	760,000	0	0	0	760,000	0
Disabled Facilities	639,610	281,825	275,000	6,825	639,610	0
Other Housing	0	(270)	10,000	(10,270)	0	0
Community and Housing Total	2,765,230	415,424	633,045	(217,621)	2,765,230	0

Corporate Services Summary Capital Report - November 2014 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement Total	578,840	332,402	469,719	(137,317)	578,840	0
Corporate Governance	9,920	9,036	22,431	(13,395)	9,921	1
Corporate Items	1,542,340	0	833,328	(833,328)	0	(1,542,340)
Facilities Management Total	1,138,050	250,451	371,490	(121,040)	1,138,046	(4)
IT Total	1,617,450	87,579	354,879	(267,300)	1,587,449	(30,001)
Resources	333,450	0	0	0	308,500	(24,950)
IT Transformation Unallocated	0	0	0	0	0	0
Corporate Services Total	5,220,050	679,468	2,051,847	(1,372,380)	3,622,756	(1,597,294)

Children, Schools & Families Summary Capital Report - November 2014 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon expansion	0	(31,207)	0	(31,207)	0	0
Cranmer expansion	2,051,770	1,963,701	1,251,795	711,906	2,051,770	0
Joseph Hood Permanent Expansn	83,350	(4,052)	83,350	(87,402)	83,350	0
Holy Trinity Expansion	61,000	56,348	61,000	(4,652)	61,000	0
St Mary's expansion*	2,786,850	1,685,198	1,661,381	23,817	2,786,855	5
All Saints/ South Wim YCC exp	14,250	0	14,250	(14,250)	14,250	0
Gorringer Park expansion	9,620	(13,028)	9,620	(22,648)	9,620	0
Hillcross School Expansion	3,216,520	1,154,338	1,275,259	(120,921)	3,216,520	0
Merton Abbey Temp Accomodation	3,524,220	1,434,268	1,754,417	(320,149)	3,524,212	(8)
Pelham School Expansion	2,992,220	1,012,406	1,588,668	(576,262)	2,992,220	0
Dundonald expansion	788,000	190,976	608,288	(417,313)	608,000	(180,000)
Poplar Permanent Expansion	3,586,740	1,638,745	2,266,493	(627,748)	3,586,735	(5)
Liberty expansion	2,620	2,077	2,620	(543)	2,620	0
Singlegate expansion	2,915,000	1,036,432	780,138	256,294	2,915,000	0
Wimbledon Chase DCSF grant	3,580	3,579	3,580	(1)	3,580	0
Wimbledon Park expansion	353,380	190,888	372,708	(181,820)	369,380	16,000
Primary Expansion	22,389,120	10,320,669	11,733,567	(1,412,899)	22,225,112	(164,008)

Children, Schools & Families Summary Capital Report - November 2014 Monitoring Continued ...

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	370,000	241,909	408,830	(166,921)	370,000	0
Early Years	0	(59,158)	0	(59,158)	0	0
Free School Meals	575,270	359,363	0	359,363	575,265	(5)
Schools Access Initiative Inc	0	(711)	0	(711)	0	0
Cricket Green Site	20,000	5,330	50	5,280	20,000	0
Primary school autism unit	179,110	43,581	110,396	(66,815)	179,110	0
Breaks-disabled children grant	0	(4,038)	0	(4,038)	0	0
Perseid	335,670	21,372	114,994	(93,622)	335,670	0
Secondary School Autism Unit	40,000	0	0	0	40,000	0
Schs Cap Maint & Accessibility	666,800	429,168	351,800	77,368	666,800	0
B631 - Solar PV Raynes Prk Pav	0	(17,000)	0	(17,000)	0	0
Raynes Park Sports Pavilion	4,770	(25,257)	4,770	(30,027)	4,770	0
Secondary School expansion	100,000	0	0	0	100,000	0
Schools Equipment Loans	372,800	0	150,000	(150,000)	60,000	(312,800)
Youth&Comm centres reprovision	0	(795)	0	(795)	0	0
	2,664,420	993,764	1,140,840	(147,076)	2,351,615	(312,805)
Children Schools and Families	25,053,540	11,314,433	12,874,407	(1,559,975)	24,576,727	(476,813)

Environment & Regeneration Summary Capital Report - November 2014 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,000,000	301,851	464,406	(162,555)	1,000,000	0
Greenspaces	1,164,760	423,439	442,062	(14,885)	1,106,205	(58,555)
Highways General Planned Works	547,660	182,425	322,639	(140,214)	440,220	(107,440)
Highways Planned Road Works	1,783,100	405,118	743,133	(338,015)	1,783,100	0
Leisure Centres	734,290	550,529	732,137	(181,608)	734,290	0
Other E&R	259,340	133,274	45,340	87,934	230,520	(28,820)
On and Off Street Parking	42,910	22,456	14,000	8,456	42,910	0
Plans and Projects	70,000	0	70,000	(70,000)	70,000	0
Regeneration Partnerships	2,223,720	326,435	690,850	(364,415)	2,177,230	(46,490)
Street Lighting	410,000	42,568	258,856	(216,288)	410,000	0
Street Scene	80,000	19,526	17,445	2,081	80,000	0
Transport for London	2,170,050	446,339	1,004,826	(562,225)	2,148,269	(21,781)
Traffic and Parking Management	286,730	55,006	47,500	7,506	243,230	(43,500)
Transport and Plant	620,000	65,248	99,332	(34,084)	620,000	0
Waste Operations	102,500	21,268	16,334	4,934	102,500	0
Environment and Regeneration	11,495,060	2,995,482	4,968,860	(1,973,378)	11,188,474	(306,586)

Viurement, Re-profiling and New Funding										Appendix 5b	
	2014/15 Budget	Virements	Adjusted & New Funding	Repro filing	Revised 2014/15 Budget	2015/16 Budget	Repro filing	Revised 2015/16 Budget	2016/17 Budget	Repro filing	Revised 2016/17 Budget
	£	£	£	£	£	£	£	£	£	£	£
Children, Schools & Families											
Devolved Formula Capital (2)	408,830	0	0	(38,830)	370,000	0	38,830	38,830	0	0	0
Merton Abbey Expansion	3,621,050	0	0	(96,830)	3,524,220	889,710	96,830	986,540	0	0	0
Dundo nald Expansion (2)	788,000	0	0	0	788,000	4,218,860	(80,000)	4,038,860	1,117,000	0	1,117,000
Wimble don Park School expansion	429,380	(76,000)	0	0	353,380	0	0	0	0	0	0
Singlegate Expansion	2,915,000			0	2,915,000	2,493,830	(300,000)	2,193,830	0	300,000	300,000
Expansion Inflation Contingency (2)	0	76,000	0	(76,000)	0	0	256,000	256,000	0	0	0
Secondary Autism Unit	40,000	0	0	0	40,000	1,160,000	(910,000)	250,000	0	910,000	910,000
New Secondary School	20,000	0	0	0	20,000	1,080,000	(980,000)	100,000	4,000,000	980,000	4,980,000
Community & Housing											
Laptops for Other Staff	61,880	0	0	(53,880)	8,000	0	53,880	53,880	0	0	0
JMC Extension	200,000	10,000	0		210,000	0	0	0	0	0	0
Birches Close	10,000	(10,000)	0		0	0	0	0	0	0	0
Disabled Facilities Grant	800,000	0	0	(200,000)	600,000	1,269,470	200,000	1,469,470	724,000	0	724,000
Corporate Services											
Replace doc management system	300,000	0	0	(300,000)	0	440,000	300,000	740,000	0	0	0
Customer Contact Programme	300,000	0	0	(300,000)	0	485,000	300,000	785,000	0	0	0
Replacement Social Care System	400,000	0	0	(115,000)	285,000	571,000	115,000	686,000	0	0	0
Capital Bidding Fund	500,000				500,000	1,000,000	(122,000)	878,000	500,000	0	500,000
Civic Centre Windows	115,920	0	0	(115,000)	30,920	0	115,000	115,000	0	0	0
Civic Centre - Upgrading lifts	465,000	0	0	(157,870)	307,130	185,000	157,870	342,870	0	0	0
Transformation Budgets (2)	240,160	(512,170)		272,010	0	507,000	(272,010)	234,990	0	0	0
Disaster Recovery (2)	1710	512,170			513,880	0	0	0	0	0	0
Environment & Regeneration											
Play Space Pollards Hill	5,000	0	0	(5,000)	0	0	5,000	5,000	0	0	0
London Road Cemetery Extension (2)	0		340,000	0	340,000						
Figges Marsh Changing Room	150,000	0	0	(138,000)	12,000	0	138,000	138,000	0	0	0
B627a & b Cott nhm Prk-play area	2,960	0	0	(2,960)	0	0	2,960	2,960	0	0	0
Wimble don Park Crazy Golf	30,000	(15,000)	0		15,000	0	0	0	0	0	0
Colliers Wood Area (S106)	9,570	0	0	(9,570)	0	0	9,570	9,570	0	0	0
B650 Rowan Road Park Improvmnt	3,060	0	0	(3,060)	0	0	3,060	3,060	0	0	0
Highways bridges & structures (2)	370,000	(143,000)			227,000	260,000		260,000	260,000	0	260,000
Wheeler Bins - Pilot (2)	0	48,000									
Taylor Rd Day Centre - Improvement Works (2)	0	25,000									
B646a Lombard Industrial Estat	23,970	0	0	(23,970)	0	0	23,970	23,970	0	0	0
Mitcham Major schemes	200,000	0	0	(100,000)	100,000	1,800,000	100,000	1,900,000	885,000	0	885,000
Restoration of South Park Gdns	169,890	15,000	0		184,890	0	0	0	0	0	0
Match Funding for GLA Bid from Future Merton (2)					0	0	122,000	122,000			
Restoration Mitcham Clock Tower	0	0	15,770		15,770	0	29,230	29,230	0	0	0
Colliers Wood Town Centre Impr	90,000			(90,000)	0	0	90,000	90,000	0	0	0
Mitcham Town Centre (1)	290,000	0	(125,000)		165,000	0	0	0	0	0	0
Belvederes and Ridgway Place (2)	0	70,000									
Tackling Traffic Congestion	1,300,000	0	0	(1,300,000)	0	0	1,300,000	1,300,000	0	0	0
Waste Phase B - Replace RCVs	30,900	0	0	(30,900)	0	0	30,900	30,900	0	0	0
GPS Vehicle Tracking	130,000	0	0	(130,000)	0	0	130,000	130,000	0	0	0
Total	14,452,280	0	230,770	(3,014,860)	11,525,190	16,359,870	854,090	17,213,960	7,486,000	2,190,000	9,676,000
1) Transferred to Revenue		2) Requires Cabinet Approval									

Capital Programme Funding Summary 2014/15

Appendix
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	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - December 2014	18,290	29,028	47,318
Childrens, Schools and Families			
Devolved Formula Capital	0	(39)	(39)
Merton Abbey Expansion	(97)	0	(97)
Expansion Inflation Contingency	(76)	0	(76)
Community & Housing			
Laptops for Other Staff	0	(54)	(54)
Disabled Facilities Grant	0	(200)	(200)
Corporate Services			
Replace doc management system	(300)	0	(300)
Customer Contact Programme	(300)	0	(300)
Replacement Social Care System	0	(115)	(115)
Civic Centre Windows	(115)	0	(115)
Civic Centre- Upgrading lifts	(158)	0	(158)
Net Transformation Budgets/Disaster Recovery	272	0	272
Environment and Regeneration			
Play Space Pollards Hill	0	(5)	(5)
London Rd Cemetery Extension	340	0	340
Figges Marsh Changing Room	(138)		(138)
B627a&b Cottnm Prk-play area	0	(3)	(3)
Colliers Wood Area (S106)	0	(10)	(10)
B650 Rowan Road Park Improvmnt	0	(3)	(3)
B646a Lombard Industrial Estat	0	(24)	(24)
Mitcham Major schemes	0	(100)	(100)
Restoration Mitcham Clock Tower	0	16	16
Colliers Wood Town Centre Impr	(90)		(90)
Mitcham Town Centre (1)		(125)	(125)
Tackling Traffic Congestion	(1,300)	0	(1,300)
Waste Phase B - Replace RCVs	(31)	0	(31)
GPS Vehicle Tracking	(130)	0	(130)
Cabinet - January 2015	16,167	28,366	44,533

Capital Programme Funding Summary 2015/16

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - December 2014	3,766	38,092	41,858
Childrens, Schools and Families			
Devolved Formula Capital	0	39	39
Merton Abbey Expansion	97	0	97
Singlegate Expansion	(300)	0	(300)
Expansion Inflation Contingency	76	0	76
Secondary Autism Unit	(910)	0	(910)
New Secondary School	(980)	0	(980)
Community & Housing			
Laptops for Other Staff	0	54	54
Disabled Facilities Grant	0	200	200
Corporate Services			
Replace doc management system	300	0	300
Customer Contact Programme	300	0	300
Replacement Social Care System	0	115	115
Civic Centre Windows	115	0	115
Civic Centre- Upgrading lifts	158	0	158
Transformation Budgets	(272)	0	(272)
Environment and Regeneration			
Play Space Pollards Hill	0	5	5
Figges Marsh Changing Room	138		138
B627a&b Cottnm Prk-play area	0	3	3
Colliers Wood Area (S106)	0	10	10
B650 Rowan Road Park Improvmnt	0	3	3
B646a Lombard Industrial Estat	0	24	24
Mitcham Major schemes	0	100	100
Restoration of the Clock Tower	0	29	29
Colliers Wood Town Centre Impr	90		90
Tackling Traffic Congestion	1,300	0	1,300
Waste Phase B - Replace RCVs	31	0	31
GPS Vehicle Tracking	130	0	130
Cabinet - January 2015	4,039	38,674	42,713

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