

Merton Council

Cabinet

10 December 2018

Supplementary agenda 2

6 Financial Report 2018/19 – October 2018

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CABINET

Date: 10 December 2018

Subject: Financial Report 2018/19 – October 2018

Lead officer: Roger Kershaw

Lead member: Mark Allison

Urgent report:

Reason for urgency: The chair has approved the submission of this report as a matter of urgency as it provides the latest available monitoring information for 2018/19. This requires consideration as it has implications for current and future years' budget monitoring and management.

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £1.042 million, 0.19% of gross budget.
- B. That CMT approve the adjustments to the Capital Programme contained in Appendix 5b
That Cabinet note the adjustments to the Capital Programme contained in Appendix 5b and approve the items in the Table below:

Scheme		2018/19 Budget	2019/20 Budget	Narrative
Corporate Service				
Customer Contact - Echo Integration	(1)	100,300	0	Funded by a Revenue Contribution from reserves to Capital
Regulatory Services Project	(1)	96,250	0	Funded by £8,333 Revenue Contribution from reserves and £87,917 Contribution from Other LAs
Parking System	(1)	126,000	0	Funded by a Revenue Contribution from reserves to Capital
Civic Centre - Boilers	(1)	(200,000)	200,000	Reprofiled to reflect expected spending pattern
Civic Centre Imp & Adpts to Cttee Rms	(1)	88,000	0	Essential Improvements and Adaptions to Committee Rooms
Implementation of 5.5	(1)	79,800	0	£17,200 funded from virement from Invoice Scanning
Westminster Coroners Court	(1)	(460,000)	460,000	Merton's share of these costs expected in 2019-20
Total		(169,650)	660,000	

- C. That Cabinet approve the Environment and Regeneration alternative savings detailed within Appendix 8.
 - D. That Cabinet approve the Community and Housing alternative savings detailed within Appendix 9.
 - E. That Cabinet approve the Community and Housing transport virement Appendix 10.
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the financial monitoring report for period 7, 31st October 2018 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 7 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2018/19;
- Progress on the delivery of the 2018/19 revenue savings

2. THE FINANCIAL REPORTING PROCESS

2.1 The budget monitoring process in 2018/19 will continue to focus on adult social care and children's social care as these areas overspent in 2017/18 and continue to have budget pressures.

2.2 Chief Officers, together with budget managers and Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are underspent, these underspends are retained until year end. Any final overall overspend on the General Fund will result in a call on balances; however this action is not sustainable longer term.

2.3 2018/19 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 7 to 31st October 2018, the year-end forecast is a net £1.042m overspend compared to the current budget, 0.19% of the gross revenue budget (£1.92m forecast overspend at period 6). This is a decrease of £0.878m (0.16%) compared to last month.

Summary Position as at 31st October 2018

	Current Budget 2018/19 £000s	Full Year Forecast (Oct) £000s	Forecast Variance at year end (Oct) £000s	Forecast Variance at year end (Sept) £000s	Outturn variance 2017/18 £000s
Department					
3A. Corporate Services	10,681	9,383	(1,298)	(1,290)	(812)
3B. Children, Schools and Families	56,495	60,251	3,756	3,247	2,249
3C. Community and Housing	64,092	64,151	59	224	922
3D. Public Health	0	(0)	(0)	86	0
3E. Environment & Regeneration	18,551	17,815	(735)	(381)	(1,211)
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	149,819	151,600	1,782	1,886	1,148
3E. Corporate Items					
Impact of Capital on revenue budget	8,405	8,930	525	526	(103)
Other Central budgets	(14,828)	(16,093)	(1,265)	(491)	(823)
Levies	938	938	0	0	0
TOTAL CORPORATE PROVISIONS	(5,485)	(6,225)	(740)	35	(926)
TOTAL GENERAL FUND	144,334	145,375	1,042	1,921	222
FUNDING					
Revenue Support Grant	0	0	0	0	1
Business Rates	(45,636)	(45,636)	0	0	182
Other Grants	(11,258)	(11,258)	0	0	(670)
Council Tax and Collection Fund	(87,439)	(87,439)	0	0	0
FUNDING	(144,333)	(144,333)	0	0	(487)
NET	0	1,042	1,042	1,921	(265)

The current level of GF balances is £12.778m and the minimum level reported to Council for this is £12.09m. This means that another reserve or further savings will need to be found to offset the remaining £0.355m overspend.

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

Division	2018/19 Current Budget £000	2018/19 Full year Forecast (October) £000	2018/19 Full Year Forecast Variance (October) £000	2018/19 Full Year Forecast Variance (September) £000	2017/18 Outturn Variance £000
Customers, Policy & Improvement	3,567	3,537	-30	25	46
Infrastructure & Technology	11,173	10,944	-229	-234	71
Corporate Governance	2,430	2,305	-125	0	-229
Resources	6,094	5,689	-405	-294	-515
Human Resources	1,811	1,815	4	8	-207
Corporate Other	796	284	-513	-795	22
Total (Controllable)	25,872	24,574	-1,298	-1,290	-812

Overview

At the end of period 7 (October) the Corporate Services (CS) department is forecasting an underspend of £1.298k at year end. The table above reflects the new structure within Corporate Services in 2018/19. This is an increase in the forecast underspend of £8k compared to the period 6 (September) position.

Customers, Policy and Improvement - £30k under

The principal reason for the forecast underspend is additional income within the registrars and translations services reflecting an increased level of demand and a lower than budgeted cost of the cash collection service. There is also a forecast underspend on customer contact due to lower than budgeted support costs for the current system. These underspends are partly offset by an underachievement of advertising income within the communications service. There has been a favourable movement of £55k from the position reported in September, mainly due to the recognition of the customer contact underspend.

Infrastructure & Technology - £229k under

There is a forecast underspend of £148k against the corporate print strategy budget that reflects the recharge to clients for the services provided within the division. There is an underspend of £86k against the Business Systems budget principally due to vacant posts and recharge income from CHAS. There is also additional rental income compared to the budget for the Civic Centre and further income from the recovery of expenses within transactional services. These underspends are partly offset by lower than expected income from the professional development centre (Chaucer Centre) where the number of bookings is expected to be below the budgeted level. There has been an adverse movement of £5k from the position reported in September.

Corporate Governance – £125K under

The budget for the South London Legal partnership (SLLp) is forecasting a £53k deficit on the trading position in 2018/19, with Merton's share of that deficit being £10k. The income forecast methodology has been amended to better reflect the expected profile of income throughout the year which has brought the SLLp deficit forecast down significantly since September. The revised method will be kept under close review in the coming months and adjustments to the forecast will be made if necessary.

Merton's legal services outside of the SLLp model is forecasting a £98k underspend due to the over achievement of income relating to property work, planning agreements and court fees.

There has been a favourable movement across Corporate Governance of £125k from the position reported in September due to a reduction in the projected deficit for the SLLp and the updated forecast of Merton's legal income.

Resources - £405k under

The Merton Bailiff Service is forecasting to underspend by £283k mainly due to income in excess of the budget. This is in line with the 2017/18 position. There is a forecast underspend of £232k within Benefits Administration principally due to additional one-off unbudgeted income from DWP for a number of schemes, as well as underspends across various supplies and services budgets. There is a forecast overspend within Local Taxation Services of £49k principally due to additional IT licence and postage costs. The forecast for bank charges reflects an agreement from E&R to fund £100k of additional credit card charges relating to the increased volume of transactions on the RingGo contract, the budget transfer for this has been approved by Cabinet in November.

Further underspends are forecast within Business Planning (£44k) due to vacancies and within the Assistant Director's budget (£57k) mainly within consultancy. These will be used to part fund a forecast overspend of £223k on the Financial Information System's budget where some additional temporary staffing resource is required pending a request to increase the permanent establishment by one full-time equivalent post to meet additional demand.

There has been a favourable movement of £111k from the position reported in September mainly due to the additional audit fees being shown within E&R rather than Resources and additional DWP income within Benefits Administration.

Human Resources – £4k over

There are a number of vacant posts within the division that are offset by a number of budget pressures including lower than budgeted income from schools as part of the buy back scheme and higher than budgeted costs of the shared payroll system and iTrent client team that are charged by the London Borough of Kingston. There has been a favourable movement of £4k from the position reported in September.

Corporate Items - £513k under

The Housing Benefit budget shows a forecast surplus of £1.4m on the account against a budgeted surplus of £1m. The unbudgeted surplus relates to an underspend against the budget to top-up the bad debt provision, part offset by a reduced subsidy forecast as it is expected the lower error rate threshold will be triggered in 17/18, reducing the subsidy receivable. The amount is yet to be audited and represents an estimate at this stage which will continue to be reviewed.

The remaining underspend relates to the budget held for corporately funded items which is not currently forecast to be required. This is partly offset by a forecast overspend on Merton's share of the coroners' court due to unbudgeted coroner costs for Grenfell and the Westminster Bridge inquest. There is also an underachievement of the budgeted charges to clients for the use of the Comensura agency staff service.

There has been an adverse movement of £282k from the position reported in September mainly due to the change in process which ended the charges to clients for use of agency staff and the estimated reduction to Housing Benefit subsidy.

Environment & Regeneration

Environment & Regeneration	2018/19 Current Budget	Full year Forecast (Oct)	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sept)	2017/18 Outturn Variance
	£000	£000	£000	£000	£000
Public Protection	(11,147)	(11,972)	(825)	(694)	(1,602)
Public Space	15,126	14,735	(391)	(300)	632
Senior Management	953	939	(14)	0	3
Sustainable Communities	8,264	8,759	495	613	(244)
Total (Controllable)	13,196	12,461	(735)	(381)	(1,211)

Description	2018/19 Current Budget	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sept)	2017/18 Variance at year end
	£000	£000	£000	£000
Overspend within Regulatory Services	578	177	169	78
Underspend within Parking Services	(12,611)	(1,000)	(851)	(1,663)
Underspend within Safer Merton & CCTV	886	(2)	(12)	(47)
Total for Public Protection	(11,147)	(825)	(694)	(1,602)
Underspend within Waste Services	13,850	(706)	(660)	97
Underspend within Leisure & Culture	736	(66)	(66)	(166)
Overspend within Greenspaces	1,400	265	309	754
Overspend within Transport Services	(860)	116	117	(53)
Total for Public Space	15,126	(391)	(300)	632
Underspend within Senior Management & Support	953	(14)	0	3
Total for Senior Management	953	(14)	0	3
Overspend within Property Management	(2,902)	265	372	(422)
Overspend within Building & Development Control	(32)	231	225	397
Underspend within Future Merton	11,198	(1)	16	(219)
Total for Sustainable Communities	8,264	495	613	(244)
Total Excluding Overheads	13,196	(735)	(381)	(1,211)

Overview

The department is currently forecasting an underspend of £735k at year end. The main areas of variance are Parking Services, Waste Services, Greenspaces, Property Management, and Development & Building Control.

Public Protection

Parking Services underspend of £1,000k

The underspend is mainly as a result of additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£1,185k).

Included within this forecast is employee related overspend of c£182k due to a combination of savings not yet implemented and increased demand.

There have been delays in implementing all of the parking savings to date. In terms of ANPR, there was an initial assumption that there would be a peak in the processing work and, balanced with on-going compliance, the processing volume would drop. However, although the section still expects compliance to further increase, it has not yet occurred to the level expected as processing volumes remain above estimated levels, leading to the need to continue to employ additional agency staff.

Staffing restructures have been further delayed by the recent retirement of the Parking Services Manager, but these are now being revisited by the new Manager.

During December, free parking will be provided every Sunday within all town centre car parks in the run up to Christmas, as well as on Saturday 23rd and Christmas Eve. This will result in an estimated loss of income of c£25k.

Regulatory Services overspend of £177k

On the 1st November 2017, Wandsworth became the third member of the Regulatory Services Partnership, joining Merton and Richmond. A management restructure commenced on 1st November following consultation, and a revised cost allocation methodology for the three partners has also been agreed, which will have an impact of the section's forecast. Therefore, a revised forecast will need to be provided as soon as this has been agreed.

Public Space

Waste Services underspend of £706k

The forecast underspend is largely as a result of an in-year underspend on disposal costs of £1,072k, which can be attributed to two main factors. Firstly, the section has experienced a c11% reduction in waste being landfilled this financial year – this is fairly consistent with the c8% reduction in total waste tonnages being generated across all of the authority's waste streams. Secondly, Viridor our disposal contractor, has now begun testing the new ERF facility. During this commissioning phase, currently three months, the authority will benefit from reduced disposal costs leading to an estimated cost reduction of c£500k this financial year only.

This forecast underspend on disposal costs is being partially offset by the mobilisation costs relating to the October 2018 service change (£350k), although the section is seeking alternative funding arrangements for part of the mobilisation costs.

Greenspaces overspend of £265k

Although significant savings have been realised, the section is forecasting to overspend on the idverde parks and ground maintenance service by around £70k. Work is underway to reduce this and to resolve the overspend.

The section is also currently forecasting an employee overspend of £60k mainly as a result of a £70k staffing related saving (ENV12) that is not expected to be implemented until the next financial year. In addition, the section is forecasting to underachieve on its rental income by £60k.

Finally, it is now recognised that saving E&R26 (£60k) i.e. P&D within certain parks, will only achieve c£9k. In part, this is as a consequence of the proposal to include charging on Saturdays being dropped following consultation alongside a significant reduction in commuter (paid for) parking. Mitigating actions are being considered and will be reported accordingly.

Sustainable Communities

Property Management overspend of £265k

The principal reason for the forecast overspend relates to costs involved with the management of Battle Close, which is now the responsibility of the Authority following the recent departure of the leaseholder (£497k). The security costs have been reduced and authority is being sought to demolish the building, which should remove most of these costs.

The section is also forecasting to incur some significant, but essential, costs this year on several of the buildings the Authority manages, attributing to a forecast premises related overspend of £240k.

In addition, the section is forecasting to overspend on consultants by c£76k due to the need for independent valuations to benchmark property disposals, progress rent reviews due to a lack of internal resource, and on external valuations to support asset valuations by c£18k.

The section is also incurring some one-off, but un-budgeted, external audit fees of c£72k as a result of additional audit work required for the 2017/18 Statement of Accounts.

These pressures are being partially mitigated by exceeding their commercial rental income expectations by £657k mainly due to conducting the back log of rent reviews in line with the tenancy agreements. Approximately £251k relates to ongoing rental income but £406k is one-off due this year only.

Development & Building Control overspend by £231k

The section is forecasting to underachieve on income by £233k, in particular within building control, which reflects the continued reduction in the Authority's market share against target.

Children Schools and Families

Children, Schools and Families	2018/19 Current Budget £000	Full year Forecast (Oct) £000	Forecast Variance at year end (Oct) £000	Forecast Variance at year end (Sep) £000	2017/18 Variance at year end £000
Education	19,301	19,589	588	542	(703)
Social Care and Youth Inclusion	21,499	25,267	3,768	3,305	3,596
Cross Department budgets	480	461	(19)	(19)	(95)
PFI	8,075	7,764	(311)	(311)	(342)
Redundancy costs	2,124	1,854	(270)	(270)	(207)
Total (controllable)	51,479	54,936	3,756	3,247	2,249

Overview

At the end of October Children Schools and Families had a forecast overspend of £3.756m on local authority funded services; an increase in overspend from September's forecast. The overspend is mainly due to the volatile nature of placement and SEN transport budgets, and the current volume of CSC activity and Education, Health and Care Plan (EHCP) requests. Despite an increasing population, Merton is managing to keep our number of looked after children in care stable through a combination of actions, which is detailed in the management action section below.

The CSF department received £500k growth for the current financial year that has mainly been used to fund the additional eight social workers that were previously funded through contingency for three years and were last year part of the departmental overspend. Last year's overspend also included planned underspends and non-recurring management action which, together with additional demographic growth for this year, is currently forecast to result in a higher overspend for the current financial year.

Local Authority Funded Services

Significant cost pressures and underspends identified to date are detailed in the table below:

Description	Budget £000	Oct £000	Sep £000	2017/18 £000
Procurement & School organisation	643	(361)	(267)	(319)
SEN transport	4,133	1,050	966	566
Short breaks	217	205	111	64
Other small over and underspends	14,308	(306)	(268)	(1,014)
Subtotal Education	19,301	588	542	(703)
Fostering and residential placements (ART)	7,094	919	639	813
Un-accompanied asylum seeking children (UASC)	901	862	830	693
Community Placement	0	956	956	750
No Recourse to Public Funds (NRPF)	21	290	290	353
MASH & First Response staffing	1,587	282	234	403
Other small over and underspends	11,896	459	356	288
Subtotal Children's Social Care and Youth Inclusion	21,499	3,768	3,305	3,596

Education Division

Procurement and school organisation budgets are forecast to underspend by £361k because of lower spend on revenue budgets. This budget relates to the revenue cost of construction projects. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings. The reduction of £94k in the forecast from last month reflects the decreased risks and associated costs to enable a clear site at High Path to build the new Harris Wimbledon school, with more certainty on when the ESFA will take responsibility for the site. Agreements over the past month mean that it is no longer necessary to allow such substantial costs for temporary accommodation.

The SEN transport budget is forecasting to overspend by £1.050m at the end of the financial year, which includes £969k maintained school taxi cost and £165k direct payments. The forecast outturn for maintained school taxis is £3.242m, circa £518k more than last year. Substantial management action was undertaken over the summer period such that at the end of October 17 extra children were being transported compared to the end of June but the same number of taxi routes. However, the taxi forecast is £76k more than in September monitoring because there has been significantly more changes to taxi commissions since late September, the magnitude of which was not fully anticipated. This has included the cost of specialist secure transport for one child and a number of other complex cases where children needed to be moved to sole taxi transport with an escort for safeguarding reasons, and more children with daily trips.

The overall forecast overspend reflects increased demand over a number of years although the budget for taxi commissioning has not been increased for demographic pressures since 2015/16. Over the period from September 2015 to September 2018 there has been a 30% increase in the number of children transported by taxi.

The number of children needing transport has increased significantly due to the increase in EHCPs requiring a specialist placement, and there continue to be pressures. Strategies are in place to alleviate this pressure, including continuing to maximise any further opportunities for placing more children on the buses, re-tendering routes, considering any consolidation possible and encouraging parents to accept personal budgets to directly arrange transport. The expansion of Cricket Green School will enable extra local places from September 2019 and officers are the draft capital programme includes further proposals to increase the range of in-borough provision to reduce the reliance on transporting significant distances to out of borough schools.

The children's short breaks budget is forecast to overspend by £205k. This relates to an increase in caseload from 398 in April 2018 to 443 in October 2018. A review of short break services delivered across the department will be carried out with the aim to reduce the overall cost pressure of short breaks. Realistically any changes resulting from this review will only impact on cost in next financial year.

There are various other small over and underspends forecast across the division netting to a £306k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £588k.

Children's Social Care and Youth Inclusion Division

The numbers of Looked after Children (LAC) in Merton remains relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below.

Overview	2016	2017	2018
Number of children in care as at 31st March	163	152	154
Of which UASC	22	20	28
Rate per 10,000	35	33	33
London Rate	51	50	n/a
England Rate	60	62	n/a

We currently have 161 LAC. While the numbers remain relatively stable, the complexity of a significant proportion of cases is causing cost pressures as detailed below. Placement costs are reviewed on a monthly basis to ensure that projections of spend are as accurate as possible. Between September and October the forecast placement overspend has increased by £280k, mainly due to increased residential cost, as detailed in the table below.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Oct £000	Sep £000	Oct Nr	Sep Nr
Residential Placements	2,271	2,704	433	149	18	17
Independent Agency Fostering	1,816	1,940	124	142	39	40
In-house Fostering	978	1,388	410	417	60	61
Secure accommodation	136	97	(39)	(14)	1	2
Mother and baby	101	44	(57)	(101)	1	0
Supported lodgings/housing	1,792	1,840	48	46	54	54
Total	7,094	8,013	919	639	173	174

The ART service seeks to make placements with in-house foster carers wherever possible and in line with presenting needs, however, the capacity within our in-house provision and the needs of some looked after children mean that placements with residential care providers or independent fostering agencies are required. Some specific provision is mandated by the courts.

- The residential placement expenditure is forecast to overspend by £433k. The increase in cost is due to three new children being placed. Two placements also ended this month which were already budgeted for the leaving date.
- The agency fostering expenditure is forecast to be overspend by £124k. The agency overspend has reduced by £18k. This is due to five children leaving and four children being placed.
- The in-house foster carer expenditure is forecast to overspend by £410k for the year. The decrease of £7k from last month is due to one child leaving.
- The secure accommodation expenditures is forecast to be underspent by £39k for this year. This forecasted underspend has been increased due to one placement ending.
- The mother and baby assessment unit expenditure is forecast to underspend by £57k. We have however one new mother and baby assessment this month.
- We are forecasting that the budget for the semi-independent accommodation and supported lodgings/housing placements will overspend by £48k. There were 54 semi-independent

placements for young people at the end of September 2018. Although numbers have stayed the same, the overall costs increased by £2k due to a revised estimate.

At the end of October, UASC placements and previously UASC that are now care leavers are expected to overspend by £862k this year.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Oct £000	Sep £000	Oct Nr	Sep Nr
Independent Agency Fostering	372	394	22	20	9	9
In-house Fostering	362	503	141	165	21	21
Supported lodgings/housing	167	866	699	645	31	31
Total	901	1,763	862	830	61	61

- At the end of October, we had 30 placements for UASC young people under 18. Merton receives UASC grant towards these placements although it is not sufficient to cover the full cost. The overall cost for Fostering has reduced from £185k in September to £163k in October. This reduction is due to children who are now under the 'staying put' arrangement.
- We have budgeted for 31 young people aged 18+ with no recourse to public funds in semi-independent accommodation who were formerly UASC young people. Once UASC young people reach 18, we retain financial responsibility for them until their immigration status is agreed. We have included those young people currently in placement who are under 18 and who will become 18 during this financial year in the forecast.
- For 2017/18 Merton received additional UASC capacity support funding of £94k. We are expecting a higher allocation for the current financial year as we have now reached our target of UASC numbers equivalent to 0.07% of our child population on the Pan London Rotas, but have not had the allocation confirmed. Once our allocation has been confirmed, we will adjust the forecast.

We are forecasting a £956k overspend on a community placement. This provision relates to a complex case currently under discussion between the CCG and the local authority. The figure is our worst case scenario estimate and is subject to change. A review has been underway to change the current provision with the intention that this should reduce the cost to Merton, but unfortunately the intended provider has withdrawn from the review and as a result it will not be possible to quantify any likely reduction in costs until fresh proposals are agreed. The current position of the CCG is that this is accepted as a continuing care case and that the council should be responsible for the education cost only. Once settled it is likely to mean that the reduced cost apportioned to the council will transfer from the general fund to the DSG.

The NRPF budget is £21k this year, which is the same as last year. It is forecast to overspend by £290k in the current financial year. This is about £63k less than last year's overspend. The NRPF worker is working closely with housing colleagues to manage cases as they arise and also reviews historic cases to identify ones where claimant circumstances have changed and can therefore be stepped down from services. We continue to use the Connect system to progress cases and continue to review open cases with the aim to limit the cost pressure on the council. Strong gate keeping has resulted in a reduction of overall numbers from a peak of about 30 in 2016/17 to a current caseload of 15.

We are expecting to overspend by £282k on the MASH and First Response teams' staffing costs. This is because the team is covering 13 vacancies out of an establishment of 30 (excluding Common and Shared Assessments and management also included in this service area on iTrent) with agency staff due to difficulty in recruiting permanent members of staff.

There are various other small over and underspends forecast across the division netting to a £459k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £3,768k.

Dedicated Schools Grant (DSG)

DSG funded services are forecast to overspend by £6.045m. Of this overspend £340k can be funded from the DSG reserve, but at the current estimate, the DSG will be going into a deficit position during this financial year. This will be carried forward as a negative reserve, similar to other boroughs.

The main reasons for the forecast relates to an estimated overspend of £3.991m on Independent Day School provision.

Other pressures include £584k on EHCP allocations to Merton primary and secondary schools, £774k on EHCP allocations to out of borough maintained primary, secondary and special schools, and £896k on one-to-one support, OT/SLT and other therapies as well as alternative education. We are also forecasting £569 overspend on post 16 further education and independent special school provision. We are forecasting a £716k underspend on independent residential placements. The table below shows the increase in number of EHCPs over the past 4 years. At the end of October there were 1,718 EHCPs.

+Type of Provision	Jan 2015 (Statements and EHCPs)		Jan 2016 (Statements and EHCPs)		Jan 2017 (Statements and EHCPs)		Jan 2018 (Statements and EHCPs)	
	No.	%	No.	%	No.	%	No.	%
Mainstream School (inc. Academies)	456	44%	423	39%	432	34%	526	35%
State Funded Special School	338	32%	354	33%	386	31%	415	28%
Independent/Non-Maintained Provision (including Other Independent Special Schools)	119	11%	145	13%	178	14%	217	15%
ARP (Additional Resourced Provision)	113	11%	108	10%	137	11%	116	8%
Further Education	0	0%	20	2%	97	8%	164	11%
Early Years (inc. Private & Voluntary Settings)	4	0%	5	0%	2	0%	7	0%
Other (including children Educated at Home, Pupil Referral Units and Secure Units)	15	1%	23	2%	32	3%	41	3%
Total	1045	100%	1078	100%	1264	100%	1486	100%

There are various other smaller over and underspends forecast across the DSG netting to a £53k underspend which, combined with the items above, equates to the net overspend of £6.045m.

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG. We are also working with other authorities on the deficit DSG issue and will be responding to the national consultation relating to the treatment of DSG deficits.

Although the pressures on the high needs block are clear from the budget monitoring figures highlighted above, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The number of schools setting deficit budgets has increased from five in 2017/18 to eleven in 2018/19. There are various reasons for schools requiring to set deficit budgets including unfunded pay increases, increased cost relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers and reduced levels of reserves that schools would previously have used to balance their budgets.

Management action

Staffing

The number of employed Social Workers dipped slightly during quarter two to 122 (115.31WTE) from 125 (117.3 WTE) in Q1, despite ongoing strong recruitment over the last 6 months. There have been 16 new starters in Q1 & Q2. Additionally, 1 Team Manager (MASH), 2 SW's and 4 NQSW's from Front line are due to start in Q3, plus offers have been made to 2 Team Manager (S&CP1 & 14+) and 3 SW's (FR). Vacancy rates increased slightly in Q2 to 22.30% (from 20.44% in Q1), which reflects the increase in leavers in the last 2 quarters (15 SW's). Turnover reduced this quarter to 17.28% (from 18.45% in Q1).

Agency social workers make up 17% of the Social Worker workforce. Agency expenditure is on a downward trend (£436,854 in Q2) and the lowest spend in many years. 38% of all agency workers are working in MASH or First Response, although strong recruitment to the vacant posts in FR is steadily reducing this figure. 36% are in Safeguarding & Care Planning. Most agency workers are covering vacant posts (81%). 19% are covering long term vacancies (mainly maternity leave cover and secondments). We are further reducing the use of agency by imposing a three month recruitment drag where appropriate for non-social work posts.

Placements

We have good management oversight of children coming into care and our numbers remain stable. This stability disguises a reduction in the number of local children coming into care which is offset by the number of UASC entering our care. This pattern suggests that our early help arrangements continue to be effective in reducing the need for higher level interventions in those populations where early help can have an impact. We are aiming to strengthen this demand management further by the use of panel processes going forward. We are introducing a new panel process to overview the use of IFAs as well as continuing our scrutiny on residential children's home placements.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with a campaign targeted at attracting foster carers for teenagers and UAS young people. We have recruited four new sets of foster carers (one who has come from an IFA with three of our UASC young people in placement) and there are fifteen new sets of mainstream carers in assessment, eight of whom are interested in fostering either teenagers or UASC young people, which is our area of greatest need. Whilst there may be a drop out in these applications, we are currently confident that we will be able to approve a significant number of carers this year. These figures compare favourably with last year when at the same point, only six carers were in assessment. Our aim is to slow down the increase in more expensive agency foster placements and our use of IFA placements has decreased slightly again this month, but there will be a time lag whilst assessments are completed. In addition, we are implementing actions to retain our experienced existing foster carers such as increasing the support offer to them through the Domiciliary Care

Framework to enable them to take and retain children with more challenging behaviours in placement.

We are also targeting our recruitment to increase our number of in-house mother and child foster placements. Although there is no use of parenting assessment units at present this year, we placed 8 families for parental assessments during the course of last year. We have continued to support four of those families in IFA foster placements during on-going court processes, significantly affecting our IFA costs for the past 4 months.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. We have reintroduced the Semi-independent Accommodation (SIA) panel and will be recording cost reductions as a result of this going forward. In addition, we will be recruiting a specific business support post to chase Housing Benefit owed to the Council.

We have contracted with a provider to block purchase five independent units for care leavers aged 18+. This will act as a step down into permanent independent living. For the total five placements in the provision, this cost is £1,800 per week including support costs. This is a better financial deal than using the semi-independent market for our care leavers where the average cost for five placements averages at £2,500 per week for a similar service. We have five young people living there, fully utilising these cost-effective placements. We expect to be able to procure further placements of this type over the next quarter.

Our average placements costs against each budget code are reported each month. Our biggest increase in October relates to the unit cost for mother and bay provision as this this was a new placement done during the month with no comparable cost in previous months.

Description	June	July	Aug	Sep	Oct	Movement from last month	Oct
	£	£	£	£		£	No
ART Independent Agency Fostering	907	905	892	887	889	2	39
ART In-house Fostering	444	428	443	428	442	14	60
UASC Independent Agency (Grant)	783	791	791	791	794	3	8
UASC In house Fostering (Grant)	498	498	505	505	496	-9	16
UASC Independent Agency (Non-Grant)	770	761	764	764	764	0	1
UASC In house Fostering (Non-Grant)	482	437	448	455	436	-20	5
ART Residential Placements	4,174	4,022	4,021	4,029	4,032	3	18
ART Secure Accommodation	0	3,752	3,918	3,918	3,823	-95	1
ART Mother & Baby Unit					3,357	3,357	1
Supported Housing & Lodgings (Art 16+ Accommodation)	614	627	645	634	644	10	54
Supported Housing & Lodgings - UASC (Grant)	835	841	839	838	793	-45	6
Supported Housing & Lodgings - UASC (Non Grant)	486	520	507	505	500	-5	25

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers in line with statutory requirements and as recommended by Ofsted in our inspection. We currently have nine young people remaining with in house foster carers and a further four with IFAs. However, the increased use of Staying Put for young people aged 18+ impacts on available placements for younger teenagers, therefore highlighting again the need for targeted

recruitment for foster carers for teenager and UAS young people. As already stated, we continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

Children with additional needs

We are working with colleagues in CCGs through the tripartite process in order to secure appropriate health contribution to children with complex needs, particularly through continuing healthcare funding. This is an area we need to improve and closer working with the CCG is a focus going forward. This will mainly affect the CWD budget as many of the children discussed will be placed at home with shared packages of care. Details of any arrangements made will be recorded and reflected in budget returns.

We have tried to reduce costs associated with SEND transport through a number of strategies but this is a continuing challenge with the increasing numbers of children eligible for this service. Strategies introduced include: the introduction of a dynamic taxi purchasing system; the re-provisioning of taxi routes to ensure best value for money; the introduction of bus pick up points where appropriate; promotion of independent travel training and personal travel assistance budgets where this is option is cheaper.

We have a multi-agency SEND panel providing strategic oversight of the statutory assessment process to ensure that at both a request for assessment stage and the agreement of a final EHCP, criteria and thresholds are met and the best use of resources is agreed.

To limit the increased costs, to the DSG High Needs block, of the increased number of children with EHCPs we have expanded existing specialist provision and have recently approved a contract to expand Cricket Green special school. We have increased Additionally Resourced Provision (ARP) in Merton mainstream schools and have further plans for new ARP provision and expansion of existing bases. Additional local provision should also assist with minimising increases to transport costs.

We are also part of a South West London consortium, which uses a dynamic purchasing system for the commissioning of specialist independent places, this enables LAs together to challenge any increases in cost and ensure best value for money in the costs of these placements.

New burdens

There are a number of duties placed on the Local Authority that have not been fully funded or not funded at all through additional burdens funding from Central Government. Excluding the cost of these duties would leave a net departmental overspend of £2.556m, however that figure masks substantial once off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

Description	Budget £000	Oct overspend forecast £000	Sep overspend forecast £000	2017/18 over £000
Supported lodgings/housing- care leavers	1,792	48	46	156
Supported lodgings/housing- UASC	167	699	645	520
Un-accompanied asylum seeking children (UASC)	734	163	185	173
No Recourse to Public Funds (NRPF)	21	290	290	353
Total	2,478	1,200	1,166	1,202

Following changes introduced through the Children & Social Work Act, local authorities took on new responsibilities in relation to children in care and care leavers. Local authorities are required to offer support from a Personal Adviser to all care leavers to age 25. New burdens funding of £21k was provided to support implementation of this change. There has been no on-going funding for the additional work required.

Other unfunded burdens include:

- the increase in the age range of EHCPs, particularly for those young people aged 18-25, due to legislation changes, which are causing cost pressures in both the general fund (in education psychology and SEN transport) and the DSG (High Needs Block costs relating to most EHCP services);
- new statutory duties in relation to children missing from education has increased the cases dealt with by the Education Welfare Service by 79% (from 290 in the 6 months from September to March 2016 to 519 in the same 6 months the following year and the level of referrals has remained at this level)

Further new burdens are expected for 2018/19 including:

- Social Care Act requirement for new assessment process for all social workers
- SEND tribunals will cover elements of children care packages and therefore cost
- New requirement of social work visits to children in residential schools and other provision.

Community and Housing Current Summary Position

Community and Housing is currently forecasting an over spend of £58k as at period 7 October 2018.

The department is currently forecasting an over spend of £58k as at October 2018 which is a decrease of £251k since September. Underspends are in Adult Social Care. Public Health and Merton Adult Learning are forecasting a breakeven position, whilst the Library remained unchanged and Housing services overspend has reduced by £39k.

Community and Housing	2018/19 Current Budget £000	Forecast (Oct'18) £'000	Forecast Variance (Oct'18) £000	Forecast Variance (Sept'18) £000	2017/18 Outturn Variance £000
Access and Assessment	45,986	45,723	(263)	(218)	455
Commissioning	4,579	4,468	(111)	7	211
Direct Provision	4,451	4,452	1	(46)	(195)
Directorate	973	1,145	172	183	181
Adult Social Care	55,989	55,788	(201)	(74)	652
Libraries and Heritage	1,996	2,008	12	12	20
Merton Adult Learning	(11)	(11)	0	0	(6)
Housing General Fund	1,848	2,095	247	286	256
Sub-total	59,822	4,092	259	298	922
Public Health	(143)	(143)	0	86	0
Grand Total	59,679	59,737	58	310	922

Access & Assessment - £263k underspend

Access and Assessment underspend has increased by £45k.

This is due to the ongoing continued improved placements management. On the whole placements has remained stable for a number of months but it is important to note that this is a volatile budget and demand could increase due to a number of reasons, particularly as we enter the winter period.

The Council has been notified that a home care provider is due to close by mid-December. The Council is working to put in place alternative care arrangements. This contingency planning will incur additional costs. We will also be considering further steps to ensure continuity of supply across the sector, linked to our winter planning.

Additionally numbers of Deprivation of Liberty (Dols) has increased since April 2018 from 21 to 60 assessment per month as at September 2018. Number of (Dols) undertaken in October was 53.

The table below shows areas of significant expenditure

Access & Assessment	Forecast Variances Oct'18 £'000	Forecast Variances Sept'18 £000	Outturn Variances March 18 £000
Underspend on Concessionary Fares-(Postage)	(12)	(15)	(100)
Overspend on Better Care Fund Risk Share	0	0	425
Other-e.g. Deprivation of Liberty (Dols)	(11)	82	(307)
Placements	380	352	1,671
Income	(620)	(637)	(1,234)
Total	(263)	(218)	455

The actions set out in previous reports have continued to have a positive impact with budget now showing a small underspend. That position is before winter, which traditionally sees a spike in activity. The Government has announced additional one-off winter pressures money for local authorities, and we are reviewing the impact of the conditions which has come through. The Department of Health & Social Care has confirmed that this money can be used to manage provider failures over the period, older people and people with learning disabilities.

ASC savings for 2018.19 are on track to be delivered.

The table below sets on the movement in the number of service users in each care group between months. It shows a net decrease of 12 packages since September 2018.

Total Number of Clients with an external care package

Placements	Nos. of Clients Oct'18	Nos. of Clients Sept'18	Nos. of Client Aug'18	Nos. of Client Apr'18
Older People	1128	1140	1142	1167
Physical/Sensory	212	214	213	219
Learning Disabilities	364	360	350	356
LD Housing Support	3	3	3	2
Mental Health	132	135	134	125
MH Housing Support	13	13	12	11
Substances Misuse	4	3	3	1
Grand Total	1856	1868	1857	1881

Commissioning - £111k underspend

The commissioning service is currently forecasting an under spend of £111k as at October'18.

Direct Provision - £1k Overspend

Direct Provision service is forecasting an over spend of £1k as at October 2018. This is a reduction of £46k which is due to additional staffing expenditure and additional cost incurred due to Leyton Road.

We have built in a figure of £15k to settle a grading pay claim at Riverside Drive. There are back filling costs to cover the work of the Business Support Manager who is now working across ASC. Weekly checks are still in place to monitor spending in the residential services.

C&H - Other Services

Libraries - £12k overspend

The Library & Heritage Service forecasted overspend remains unchanged at £12k. Although there were changes in forecast between employee and non-pay items the overall position remained the same however the service has highlighted an issue of increase utilities cost.

Merton Adult Education – Breakeven

The Merton Adult Learning service continues to forecast a breakeven position for 2018/19.

Housing - £247k overspend

The housing service is forecasting an over spend as at October 2018 of £247k which is a reduction of £39k. This is a second month in which forecasted overspend has reduced but it is expected that this service will continue to vary each month due to unpredictability surrounding the shortfall on subsidy, Housing Benefit and client contributions.

This service is also engaged in homelessness preventative measures on a daily basis as legally required. The diagram below shows number of homelessness prevented to date.

Period	Homelessness Prevention Targets
Full Year	450
Target YTD	225
Achieved - Sept'18	243
Achieved - Oct'18	263

Homeless prevention includes, legal advocacy on behalf of private tenants' rights, prevention advice against unlawful eviction and harassment, money management, housing options, relationship breakdowns, rights to homes, access to social housing, seeking accommodation in homeless hostel and/or private rented sector, and mediation with family members to prevent exclusion and homelessness.

Analysis of Housing Temporary Accommodation Expenditure

Housing	Budget 2018/19 £000	Forecast Variance (Oct'18) £'000	Forecast Variances (Sept'18) £000	Outturn Variances (Mar'18) £000
Temporary Accommodation-Expenditure	2,330	623	713	909
Temporary Accommodation-Client Contribution	(140)	(616)	(616)	(595)
Temporary Accommodation-Housing Benefit Income	(2,000)	100	100	(160)
Temporary Accommodation-Subsidy Shortfall	322	414	375	517
Temporary Accommodation- Grant	-	(466)	(466)	(406)
Sub-total Temporary Accommodation	512	55	106	259
Housing Other Budgets- Over(under)spend	1,336	192	180	(3)
Total	1,848	247	286	256

Temporary Accommodation (TA) Movements to date

The data below shows the number of households i.e. families and single (placements) in TA.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month
March 2017	-	-	186
March 2018	16	16	165
April 2018	22	17	170
May 2018	21	16	175
June 2018	14	17	172
July 2018	15	12	175
August 2018	16	15	176
September 2018	11	13	174
October 2018	14	20	168

Public Health - Forecasting a breakeven position

Due to mitigating actions identified in the Sexual Health service Public Health is currently forecasting a breakeven position for the current financial year.

This was achieved through a focus approach to encourage Merton residents to use in borough competitively priced rather than high cost out of borough services. There was also a channel shift of asymptomatic clients to online Pan London Service.

Community and Housing seeks Cabinet approval of a transport virement. (Appendix 10)

Corporate Items

The details comparing actual expenditure up to 31 October 2018 against budget are contained in Appendix 2. The main areas of variance as at 31 October 2018 are:-

Corporate Items	Current Budget 2018/19 £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sep.) £000s	2016/17 Year end Variance £000s
Impact of Capital on revenue budget	8,403	8,930	527	527	(103)
Investment Income	(759)	(900)	(141)	(141)	408
Pension Fund	3,346	3,346	0	0	(389)
Pay and Price Inflation	1,122	972	(150)	0	(736)
Contingencies and provisions	4,194	3,844	(350)	(350)	(2,447)
Income Items	(1,367)	(1,991)	(624)	0	(104)
Appropriations/Transfers	(2,357)	(2,357)	0	0	2,445
Central Items	4,179	2,914	(1,265)	(491)	(823)
Levies	938	938	0	0	0
Depreciation and Impairment	(19,008)	(19,008)	0	0	0
TOTAL CORPORATE PROVISIONS	(5,487)	(6,225)	(738)	36	(926)

Since September there have been two changes:-

- given the current outlook for inflation over the remainder of the financial year it is not anticipated that the full budget provision for excess inflation will be used and an underspend of £150k by year end will result.
- a review has confirmed that the balance of creditors in the accounts not supported by uncleared invoices is c. £624k and it is possible to recoup this credit balance in the current financial year as reported to Standards and General Purposes Committee on 8 November 2018.

4 Capital Programme 2018-22

4.1 The Table below shows the movement in the 2018/22 corporate capital programme since the last meeting of Cabinet:

Depts	Current Budget 18/19	Variance	Revised Budget 18/19	Current Budget 19/20	Variance	Revised Budget 19/20	Current Budget 20/21	Variance	Revised Budget 20/21	Revised Budget 21/22	Variance	Revised Budget 21/22
CS	9,478	(210)	9,268	26,652	700	27,352	3,945	0	3,945	12,083	0	12,083
C&H	932	84	1,016	480	0	480	630	0	630	280	0	280
CSF	9,127	0	9,127	16,195	0	16,195	3,202	0	3,202	650	0	650
E&R	19,733	0	19,733	8,435	0	8,435	7,517	0	7,517	7,264	0	7,264
TOTAL	39,270	(126)	39,144	51,761	700	52,461	15,294	0	15,294	20,277	0	20,277

4.2 The table below summarises the position in respect of the 2018/19 Capital Programme as at October 2018. The detail is shown in Appendix 5a

Capital Budget Monitoring October 2018

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Corporate Services	2,991,349	3,985,954	(1,154,605)	9,268,660	9,277,993	9,333
Community and Housing	492,334	595,090	(102,756)	1,015,690	1,015,673	(17)
Children Schools & Families	3,564,843	5,755,740	(2,190,897)	9,126,350	9,122,702	(3,648)
Environment and Regeneration	6,581,447	5,259,133	1,322,314	19,732,830	19,641,067	(91,764)
Total	13,629,974	15,595,917	(2,125,943)	39,143,530	39,057,434	(86,096)

a) Corporate Services – There is currently one projected in year overspend within Business Systems – this relates to projected capitalised salaries for schemes for which budget is held in 2019/20. The anticipated spend is being finalised and budget will be moved to fund this projected spend once fully confirmed. Five schemes have been added to the programme:

- I. Customer Contact Echo Integration £100k – to facilitate integration of Merton’s relevant IT systems to the relevant Waste Contractors
- II. Regulatory Services £96k – to fund the whole costs of expanding the regulatory service to two further authorities to be funded by other local authority contributions of £88k and £8k revenue contribution.
- III. Parking System £126k – to procure a hosted penalty Charge Notice System
- IV. Implementation of e5.5 £57k (27k in 2018-9 and £30k in 2019-20) – to upgrade the hosted financial system and improve functionality. Funded by £17k virement and £40k revenue contribution.
- V. Civic Centre Improvements and adaptations to Committee Rooms for essential works £88k

Three schemes has been re-profiled from 2018/19 to 2019/20

- I. Civic Centre Boilers £200k to reflect profiled spend
- II. Planned Replacement Programme – Data Centre to reflect profiled spend
- III. Westminster Coroners Court £460k to reflect the profiled spend on the scheme

The spend profile for the Housing Company is currently being revised and will be included in November 2018 Monitoring Report.

- b) Community and Housing – An additional £44k has been added to the Disabled Facilities Grant Budget based on current spending levels and last year’s outturn, this will be funded from the Better Care Fund Grant. An additional £40k has been added to Libraries IT to cover the in-house costs of implementing the Libraries Management System. This will result in an additional £8k of annual debt charges over the 5 year period of the scheme.
- c) Children, Schools and Families – The outturn position on Primary capital maintenance schemes is currently being finalised, it is envisaged that sufficient maintenance is available to fund current projects but budget virements will need to be progressed in subsequent monitoring reports. At present, £19k is being vired from the Stanford Primary Budget to £17k at Poplar and £2k at Morden to meet the projected outturn on these budgets. Dundonald and Polar had accruals last year from the major expansions that are just being completed on their sites and these are still showing as credit balances in the actuals column of Appendix 5a. For Dundonald, the larger of the two credit balances, there is still a small remaining payment due to be paid after the final defects liability period in March 2019.
- d) Environment and Regeneration – Officers are currently projecting two in-year underspends:
- I. Fleet Vehicles £78k – currently reviewing specialised vehicle requirements
 - II. Alley Gating £13k – there is considerable lead in time for projects currently reviewing year end forecast based on the anticipated spend profile

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month, these are summarised below.

Scheme		2018/19 Budget	2019/20 Budget	Narrative
<u>Corporate Service</u>				
Customer Contact - Echo Integration	(1)	100,300	0	Funded by a Revenue Contribution from reserves to Capital
Regulatory Services Project	(1)	96,250	0	Funded by £8,333 Revenue Contribution from reserves and £87,917 Contribution from Other LAs
Civic Centre - Boilers	(1)	(200,000)	200,000	Reprofiled to reflect expected spending pattern
Civic Centre Imp & Adpts to Cttee Rms	(1)	88,000	0	Essential Improvements and Adaptions to Committee Rooms
Planned Replacement Programme - Data Centre		(40,000)	40,000	Reprofiled to reflect expected spending pattern
Parking System	(1)	126,000	0	Funded by a Revenue Contribution from reserves to Capital
Invoice Scanning		(17,200)	0	Virement to e5.5 Implementation
Implementation of 5.5	(1)	97,000	0	£17,200 funded from virement from Invoice Scanning
Westminster Coroners Court	(1)	(460,000)	460,000	Merton's share of these costs expected in 2019-20
<u>Community and Housing</u>				
Disabled Facilities Grant		43,700	0	Additional budget funded by the Better Care Fund Grant
Libraries IT		40,000	0	Capitalised Salaries of IT Staff working on project omitted from original costings
<u>Children, Schools and Families</u>				
Stanford Primary School Capital Maintenance		(18,800)	0	Virement to Poplar and Morden based on projected spend
Poplar Primary School Capital Maintenance		16,800	0	Virement from Stanford based on projected spend
Morden Primary School Capital Maintenance		2,000	0	Virement from Stanford based on projected spend
Total		(125,950)	700,000	

(1) Requires Cabinet Approval

4.4 Appendix 5c details the impact all the adjustments to the Capital Programme have on the funding of the programme in 2018-22. The table below summarises the movement in 2018/19 funding since its approval in February 2018:

Depts.	Original Budget 18/19	Net Slippage 2018/19	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 18/19
Corporate Services	23,482	5,051		88	402	(19,756)	9,268
Community & Housing	773	165	(5)	44	40	0	1,016
Children Schools & Families	15,158	924		1,117	15	(8,087)	9,127
Environment and Regeneration	21,853	919		1,899		(4,938)	19,733
Total	61,266	7,059	(5)	3,148	457	(32,781)	39,144

4.5 The following Special Provision Capital Funding has been allocated to the local authority, it is not ring-fenced but has been allocated to help with the statutory duty to provide a school place for every child and invest in provision for pupils with special educational needs and disabilities. The authority has already made provision for SEN places within the programme and the funding has been used to offset the part of the programme that is not met by external funding:

2018-19	£491k
2019-20	£834k
2020-21	£491k

In addition, £489k un-ring-fenced highways capital maintenance grant announced as part of the November 2018 budget statement has been utilised to fund the current Highways and Footways programme for 2018-19. As part of the Business Planning process for 2019/23 an additional £500k is being added to the capital programme for 2019/20 or Borough Roads within highways and footways.

4.6 The table below compares capital expenditure (£000s) to October 2018 to that achieved over the last few years:

Depts.	Spend To October 2015	Spend To October 2016	Spend to October 2017	Spend to October 2018	Variance 2015 to 2018	Variance 2016 to 2018	Variance 2017 to 2018
CS	397	279	1,386	2,991	2,594	2,713	1,606
C&H	547	1,155	392	492	(54)	(663)	100
CSF	9,097	3,144	2,746	3,565	(5,532)	421	819
E&R	3,470	7,201	6,332	6,581	3,111	(620)	249
Total Capital	13,511	11,779	10,856	13,630	119	1,851	2,774

Outturn £000s	29,327	30,626	32,230	
Budget £000s				39,144
Projected Spend October 2018 £000s				39,057
Percentage Spend to Budget				34.82%
% Spend to Outturn/Projection	46.07%	38.46%	33.68%	34.90%
Monthly Spend to Achieve Projected Outturn £000s				5,085

4.7 October is seven months into the financial year and departments have spent just over 35% of the budget. Spend to date is higher than each of the previous financial years shown.

Department	Spend To Sept 2018 £000s	Spend To Oct 2018 £000s	Increase £000s
CS	2,561	2,991	430
C&H	411	492	81
CSF	2,850	3,565	715
E&R	6,380	6,581	201
Total Capital	12,202	13,630	1,428

4.8 During October 2018 officers spent £1.428 million. If spend can be maintained throughout the rest of the financial year then this will result in a higher outturn than the last three financial years, but not as high as the projected outturn. Finance officers will continue to work with budget managers to re-profile budgets across the approved programme. November monitoring is the final month in which capital budget can be re-profiled into future years as part of budget monitoring, from December monitoring onwards moving budget into subsequent financial years will be progressed as part of slippage within the closing of accounts 2018/19 process.

5. DELIVERY OF SAVINGS FOR 2018/19

Department	Target Savings 2018/19 £000	Projected Savings 2018/19 £000	Period 7 Forecast Shortfall £000	Period 6 Forecast Shortfall £000	Period Forecast Shortfall (P7) %	2019/20 Expected Shortfall £000
Corporate Services	2,024	1,519	505	475	25.0%	385
Children Schools and Families	489	489	0	0	0.0%	0
Community and Housing	2,198	1,896	302	230	13.7%	18
Environment and Regeneration	1,874	1,401	473	501	25.2%	80
Total	6,585	5,305	1,280	1,206	19.4%	483

Appendix 6 details the progress on savings for 2018/19 by department, with the shortfall increasing by £74k since last month.

Progress on savings 2017/18

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 Period 7 Projected shortfall	2019/20 Period 7 Projected shortfall	2018/19 Period 6 Projected shortfall	2019/20 Period 6 Projected shortfall
	£000	£000	£000	£000	£000	£000
Corporate Services	2,316	196	0	0	0	0
Children Schools and Families	2,191	7	0	0	0	0
Community and Housing	2,673	19	0	0	0	0
Environment and Regeneration	3,134	2,188	666	45	791	90
Total	10,314	2,410	666	45	791	90

Appendix 7 details the progress on savings for 2017/18 by department and the impact on the current year and next year.

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 The emphasis placed on the delivery of revenue savings within the financial monitoring report will be enhanced during 2016/17; the risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

- Appendix 1- Detailed position table
- Appendix 2 – Detailed Corporate Items table
- Appendix 3 – Pay and Price Inflation
- Appendix 4 – Treasury Management: Outlook
- Appendix 5a – Current Capital Programme 2018/19
- Appendix 5b - Detail of Virements
- Appendix 5c - Summary of Capital Programme Funding
- Appendix 6 – Progress on savings 2018/19
- Appendix 7 – Progress on savings 2017/18
- Appendix 8 – Environment & Regeneration Alternative Savings
- Appendix 9 - Community and Housing Alternative Savings
- Appendix 10 - Community and Housing Transport Virement

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

- Name: Roger Kershaw
- Tel: 020 8545 3458
- Email: roger.kershaw@merton.gov.uk

APPENDIX 1

Summary Position as at 31st October 2018

	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Full Year Forecast (Oct) £000s	Forecast Variance at year end (Oct) £000s	Forecast Variance at year end (Sept) £000s	Outturn variance 2017/18 £000
Department	-	-	-	-	-	-
3A. Corporate Services	9,495	10,681	9,383	(1,298)	(1,290)	(812)
3B. Children, Schools and Families	56,145	56,495	60,251	3,756	3,247	2,249
<u>3C. Community and Housing</u>	-	-	-	-	-	-
Adult Social Care	58,778	59,257	59,057	(201)	(73)	646
Libraries & Adult Education	2,771	2,694	2,706	12	12	20
Housing General Fund	2,207	2,141	2,388	247	286	256
3D. Public Health	(0)	0	(0)	(0)	86	0
3E. Environment & Regeneration	17,951	18,551	17,815	(735)	(381)	-1,211
NET SERVICE EXPENDITURE	147,345	149,819	151,600	1,781	1,886	1,148
3E. Corporate Items	-	-	-	-	-	-
Impact of Capital on revenue budget	8,403	8,404	8,930	526	526	(103)
Other Central items	(12,353)	(14,828)	(16,093)	(1,265)	(491)	(823)
Levies	938	938	938	0	0	0
TOTAL CORPORATE PROVISIONS	(3,012)	(5,486)	(6,225)	(740)	35	(926)
TOTAL GENERAL FUND	144,333	144,333	145,375	1,041	1,921	222
Funding	-	-	-	-	-	-
- Business Rates	(45,636)	(45,636)	(45,636)	0	0	182
- RSG	0	0	0	0	0	1
- Section 31 Grant	(1,975)	(1,975)	(1,975)	0	0	(672)
- New Homes Bonus	(2,371)	(2,371)	(2,371)	0	0	2
- PFI Grant	(4,797)	(4,797)	(4,797)	0	0	0
- Adult Social Care Grant 2017/18	(2,115)	(2,115)	(2,115)	0	0	0
Grants	(56,894)	(56,894)	(56,894)	0	0	(487)
Collection Fund - Council Tax Surplus(-)/Deficit	(1,653)	(1,653)	(1,653)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	1,223	1,223	1,223	0	0	0
Council Tax	-	-	-	-	-	-
- General	(86,678)	(86,678)	(86,678)	0	0	0
- WPC	(331)	(331)	(331)	0	0	0
Council Tax and Collection Fund	(87,439)	(87,439)	(87,439)	0	0	0
FUNDING	(144,333)	(144,333)	(144,333)	0	0	(487)
NET	(0)	(1)	1,042	1,041	1,921	(265)

Appendix 2

3E. Corporate Items	Council 2018/19 £000s	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Year to Date Budget (Oct.) £000s	Year to Date Actual (Oct.) £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sep.) £000s	Outturn Variance 2017/18 £000s
Cost of Borrowing	8,403	8,403	8,403	3,684	3,457	8,930	527	527	(103)
Impact of Capital on revenue budget	8,403	8,403	8,403	3,684	3,457	8,930	527	527	(103)
Investment Income	(759)	(759)	(759)	(443)	(413)	(900)	(141)	(141)	408
Pension Fund	3,346	3,346	3,346	0	3,469	3,346	0	0	(389)
Corporate Provision for Pay Award	2,108	2,108	744		0	744	0	0	0
Provision for excess inflation	378	378	378		0	228	(150)	0	(436)
Utilities Inflation Provision	0	0	0		0	0	0	0	(300)
Pay and Price Inflation	2,486	2,486	1,122	0	0	972	(150)	0	(736)
Contingency	1,500	1,500	1,500		0	1,250	(250)	(250)	(1,500)
Single Status/Equal Pay	100	100	100		10	100	0	0	(96)
Bad Debt Provision	500	500	500		0	500	0	0	395
Loss of income arising from P3/P4	200	200	200		0	200	0	0	(400)
Loss of HB Admin grant	179	179	83		0	83	0	0	(179)
Apprenticeship Levy	450	450	450	150	164	350	(100)	(100)	(235)
Revenuisation and miscellaneous	1,361	1,361	1,361		393	1,361	0	0	(432)
Contingencies/provisions	4,291	4,291	4,194	150	567	3,844	(350)	(350)	(2,447)
Other income	0	0	0	0	(630)	(624)	(624)	0	(56)
CHAS IP/Dividend	(1,367)	(1,367)	(1,367)		0	(1,367)	0	0	(48)
Income items	(1,367)	(1,367)	(1,367)	0	(630)	(1,991)	(624)	0	(104)
Appropriations: CS Reserves	0	0	(648)	(648)	(648)	(648)	0	0	0
Appropriations: E&R Reserves	4	4	(361)	(361)	43	(361)	0	0	2
Appropriations: CSF Reserves	49	49	47	47	(2)	47	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	0	(600)
Appropriations: Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)	0	0	600
Appropriations: Corporate Reserves	(91)	(91)	(91)	(91)	0	(91)	0	0	2,443
Appropriations/Transfers	(1,342)	(1,342)	(2,357)	(2,357)	(607)	(2,357)	0	0	2,445
Depreciation & Impairment	(19,008)	(19,008)	(19,008)	0	0	(19,008)	0	0	0
Central Items	(3,950)	(3,950)	(6,425)	1,034	5,843	(7,163)	(738)	36	(926)
Levies	938	938	938	585	585	938	0	0	0
TOTAL CORPORATE PROVISIONS	(3,012)	(3,012)	(5,487)	1,619	6,428	(6,225)	(738)	36	(926)

Pay and Price Inflation as at October 2018

In 2018/19, the budget includes 2.7% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.378m which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 2.4% and RPI at 3.3% this budget will only be released when it is certain that it will not be required.

Pay:

The local government pay award for 2018/19 was agreed in April 2018 covering 2018/19 and 2019/20. For the lowest paid (those on spinal points 6-19) this agreed a pay rise of between 2.9% and 9.2%. Those on spinal points 20-52 received 2%. The Chief Officers pay award is 2% for 2018/19.

Prices:

The Consumer Prices Index (CPI) 12-month rate was 2.4% in October 2018, unchanged from September 2018. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 2.2% in October 2018, unchanged from September 2018. The large downward contributions to the change in the 12-month rate from food and non-alcoholic beverages, clothing and footwear, and some transport elements were offset by upward contributions from rising petrol, diesel and domestic gas prices. Other smaller upward contributions came from items in the miscellaneous goods and services, recreation and culture, and communication sectors.

The RPI 12-month rate for October 2018 was 3.3%, unchanged from September 2018.

Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. At its meeting ending on 31 October 2018, the MPC voted unanimously to maintain the Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

The MPC's updated projections for inflation and activity are set out in the November Inflation Report published on 1 November 2018.

In the November Inflation Report, the MPC considers what the prospects for inflation are for the period under review. It states that "CPI inflation was 2.4% in September, in line with the MPC's expectation at the time of the August Report. Inflation has been boosted by the effects of higher energy and import prices. The contributions from these factors are projected to fade over the forecast period. UK GDP growth in 2018 Q3 is expected to be somewhat stronger than projected in August, but the outlook for growth over the forecast period is little changed. The MPC judges that supply and demand in the economy are currently broadly in balance. Conditioned on a path for Bank Rate that rises gradually over the next three years, and the assumption of a smooth adjustment to new trading arrangements with the EU, the MPC judges that a margin of excess demand is likely to build. That raises domestic inflationary pressures, which partially offset diminishing contributions from energy and import prices. CPI inflation is projected to be above the target for most of the forecast period, before reaching 2% by the end. The economic outlook will depend significantly on the nature of EU

withdrawal. The MPC judges that the monetary policy response to Brexit, whatever form it takes, will not be automatic, and could be in either direction.”

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

Table 11: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (November 2018)			
	Lowest %	Highest %	Average %
2018 (Quarter 4)			
CPI	2.1	2.6	2.4
RPI	2.9	3.8	3.3
LFS Unemployment Rate	3.8	4.3	4.0
2019 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.6	3.5	2.0
RPI	2.2	4.2	3.0
LFS Unemployment Rate	3.5	4.8	4.1

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.

Independent medium-term projections for the calendar years 2018 to 2022 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2018)					
	2018	2019	2020	2021	2022
	%	%	%	%	%
CPI	2.5	2.1	2.0	2.0	2.1
RPI	3.4	3.2	3.1	3.3	3.3
LFS Unemployment Rate	4.1	4.1	4.2	4.4	4.4

Office for Budget Responsibility– Fiscal and economic outlook (October 2018)

The Office for Budget Responsibility (OBR) published its 2018 “Economic and fiscal outlook” at the same time as the Budget 2018 on 29 October 2018. Some of the key forecasts for the economy and public finances are included in the following table:-

	Outturn 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24
Gross Domestic Product (GDP) Growth (%)	1.7	1.3	1.6	1.4	1.4	1.5	1.6
Public Sector Net Borrowing (£bn)	39.8	25.5	31.8	26.7	23.8	20.8	19.8
Public Sector Net Borrowing (% of GDP)	1.9	1.2	1.4	1.2	1.0	0.9	0.8
Public Sector Net Debt (%)	85.0	83.7	82.8	79.7	75.7	75.0	
CPI (%)	2.7	2.6	2.0	2.0	2.1	2.1	2.0
RPI (%)	3.6	3.5	3.1	3.1	3.2	3.1	3.1
LFS Unemployment Rate (%)	4.4	4.0	3.7	3.8	3.9	3.9	4.0

Treasury Management: Outlook

At its meeting ending on 31 October 2018, the MPC voted unanimously to maintain the Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

The November Inflation Report was published on 1 November 2018 and in it the MPC note that “In August, the MPC raised Bank Rate to 0.75%. That had been anticipated well ahead of the announcement with most short-term interest rates rising earlier in 2018. The MPC voted to make no changes to monetary policy at its September meeting. In the run-up to the November Report, stronger-than-expected activity and inflation outturns, as well as increases in short-term interest rates internationally, have pushed up the market-implied path for Bank Rate. It is now expected to reach around 1.4% in three years’ time, up from 1.1% in August. Long-term UK interest rates have also risen since August, despite falling back in the run-up to the November Report. Those rates have been affected in part by the increase in long-term interest rates in other countries.”

In the minutes to its October meeting the MPC concluded that “the economic outlook will depend significantly on the nature of EU withdrawal, in particular the form of new trading arrangements, the smoothness of the transition to them and the responses of households, businesses and financial markets. The implications for the appropriate path of monetary policy will depend on the balance of the effects on demand, supply and the exchange rate. The MPC judges that the monetary policy response to Brexit, whatever form it takes, will not be automatic and could be in either direction. At this meeting the MPC judged that the current stance of monetary policy remained appropriate. The Committee also judges that, were the economy to continue to develop broadly in line with the November Inflation Report projections, an ongoing tightening of monetary policy over the forecast period would be appropriate to return inflation sustainably to the 2% target at a conventional horizon. Any future increases in Bank Rate are likely to be at a gradual pace and to a limited extent....”

The MPC’s forecasts of Bank Base Rate in recent Quarterly Inflation Reports which were made pre-Brexit up to May 2016 are summarised in the following table:-

	End Q.4 2018	End Q.1 2019	End Q.2 2019	End Q.3 2019	End Q.4 2019	End Q.1 2020	End Q.2 2020	End Q.3 2020	End Q.4 2020	End Q.1 2021	End Q.2 2021	End Q.3 2021	End Q.4 2021
Nov.'18	0.7	0.8	0.9	0.9	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.4
Aug.'18	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1	
May '18	0.7	0.8	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2		
Feb.'18	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2			
Nov.'17	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0				
Aug.'17	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.8					
May '17	0.3	0.4	0.4	0.4	0.5	0.5	0.5						
Feb.'17	0.4	0.5	0.5	0.6	0.6	0.7							
Nov.'16	0.3	0.3	0.3	0.4	0.4								
Aug.'16	0.2	0.2	0.2	0.2									
May '16	0.7	0.7	0.8										
Feb. '16	1.0	1.1											
Nov '15	1.3												

Source: Bank of England Inflation Reports

In order to maintain price stability, the Government has set the Bank's Monetary Policy Committee (MPC) a target for the annual inflation rate of the Consumer Prices Index of 2%. Subject to that, the MPC is also required to support the Government's economic policy, including its objectives for growth and employment.

The MPC's projections are underpinned by four key judgements :-

1. global demand grows at above-potential rates
2. net trade and business investment continue to support UK activity, while consumption growth remains modest
3. demand growth outstrips subdued potential supply growth, and a margin of excess demand emerges, pushing up domestic cost growth
4. domestic inflationary pressures continue to build over the forecast period, while external cost pressures ease

Capital Budget Monitoring October 2018

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Capital	13,629,974	15,595,917	(2,125,943)	39,143,530	39,057,434	(86,096)
Corporate Services	2,991,349	3,985,954	(1,154,605)	9,268,660	9,277,993	9,333
Customers, Policy and Improvement	4,305	250,000	(245,695)	1,999,310	1,999,310	0
Customer Contact Programme	4,305	250,000	(245,695)	1,999,310	1,999,310	0
Facilities Management Total	1,961,566	2,051,434	(89,868)	3,189,220	3,189,220	0
Works to other buildings	142,799	390,040	(247,241)	695,040	674,421	(20,619)
Civic Centre	158,606	354,144	(195,538)	456,430	477,049	20,619
Invest to Save schemes	1,659,485	1,307,250	352,235	2,037,750	2,037,750	0
Asbestos Safety Works	675	0	675	0	0	0
Infrastructure & Transactions	800,478	1,544,970	(744,492)	2,501,780	2,511,113	9,333
Business Systems	58,991	58,970	21	386,490	395,823	9,333
Social Care IT System	48,000	50,000	(2,000)	150,000	150,000	0
Disaster recovery site	393,638	245,000	148,638	394,290	394,290	0
Planned Replacement Programme	299,849	1,191,000	(891,151)	1,571,000	1,571,000	0
Resources	0	73,050	(73,050)	211,850	211,850	0
Financial System	0	0	0	97,000	97,000	0
ePayments System	0	32,050	(32,050)	32,050	32,050	0
Invoice Scanning SCIS/FIS	0	41,000	(41,000)	82,800	82,800	0
Corporate Items	65,000	66,500	(1,500)	66,500	66,500	0
Acquisitions Budget	65,000	66,500	(1,500)	66,500	66,500	0
Capital Bidding Fund	0	0	0	0	0	0
Multi Functioning Device (MFD)	0	0	0	0	0	0
Westminster Ccl Coroners Court	0	0	0	0	0	0
Investments	160,000	0	0	1,300,000	1,300,000	0
Housing Company	160,000	0	0	1,300,000	1,300,000	0
Community and Housing	492,334	595,090	(102,756)	1,015,690	1,015,673	(17)
Adult Social Care	0	43,750	(43,750)	43,750	43,750	0
Telehealth	0	43,750	(43,750)	43,750	43,750	0
Housing	475,529	484,600	(9,071)	815,200	815,188	(12)
Disabled Facilities Grant	475,529	484,600	(9,071)	815,200	815,188	(12)
Libraries	16,805	66,740	(49,935)	156,740	156,735	(5)
Library Enhancement Works	7,330	16,740	(9,410)	16,740	16,902	162
Libraries IT	9,475	50,000	(40,525)	140,000	139,833	(167)

Capital Budget Monitoring October 2018

Appendix 5a

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Children Schools & Families	3,564,843	5,755,740	(2,190,897)	9,126,350	9,122,702	(3,648)
Primary Schools	568,282	765,330	(197,048)	836,050	832,620	(3,430)
Hollymount	55,166		55,166	59,850	59,850	0
Hatfeild	35,324	50,000	(14,676)	50,000	41,000	(9,000)
Joseph Hood	2,836	2,900	(64)	2,900	2,900	0
Dundonald	(14,085)	50,980	(65,065)	50,980	50,980	0
Poplar	(8,371)	40,000	(48,371)	56,800	56,800	0
Wimbledon Park	20,730	23,500	(2,770)	23,500	22,700	(800)
Abbotsbury	(628)		(628)			0
Morden	64,841	74,380	(9,539)	76,380	76,350	(30)
Cranmer	49,912	66,000	(16,088)	66,000	55,000	(11,000)
Gorrington Park	28,051	40,000	(11,950)	40,000	40,000	0
Haslemere	45,618	50,000	(4,382)	50,000	52,300	2,300
Liberty	55,577	70,000	(14,423)	70,000	71,800	1,800
Links	(690)		(690)			0
Singlegate		11,000	(11,000)	11,000	11,000	0
St Marks	88,311	99,240	(10,929)	99,240	121,240	22,000
Lonesome	47,690	55,000	(7,310)	55,000	58,000	3,000
Stanford	98,000	132,330	(34,330)	113,530	112,700	(830)
Unlocated Primary School Proj	0	0	0	10,870	0	(10,870)
Secondary School	1,733,847	3,528,210	(1,794,363)	5,193,090	5,192,872	(218)
Harris Academy Morden			0	104,000	104,000	0
Harris Academy Merton	327,743	323,130	4,613	444,090	444,090	0
Raynes Park			0	574,000	574,000	0
Ricards Lodge			0	15,000	15,000	0
Rutlish	21,282		21,282	21,500	21,282	(218)
Harris Academy Wimbledon	1,384,823	3,205,080	(1,820,257)	4,034,500	4,034,500	(0)
SEN	1,045,456	1,403,890	(358,434)	2,387,980	2,387,980	0
Perseid	965,798	675,960	289,838	1,087,960	1,087,960	0
Cricket Green	75,954	650,000	(574,046)	1,200,000	1,200,000	0
Unlocated SEN	3,704	77,930	(74,226)	100,020	100,020	0
CSF Schemes	217,258	58,310	158,948	709,230	709,230	0
Special Programmes	11,108	58,310	(47,202)	246,940	246,940	0
CSF IT Schemes	11,108	58,310	(47,202)	58,310	58,310	0
Healthy Schools	0	0	0	188,630	188,630	0
School Equipment Loans			0	108,900	108,900	0
Devolved Formula Capital	206,150		206,150	353,390	353,390	0

Capital Budget Monitoring October 2018

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Environment and Regeneration	6,581,447	5,259,133	1,322,314	19,732,830	19,641,067	(91,764)
Public Protection and Developm	219	0	219	229,970	230,040	70
Off Street Parking - P&D			0			0
CCTV Investment	219		219	39,490	39,490	0
School Keep Clear	0	0	0	190,480	190,550	70
Street Scene & Waste	15,202	306,620	(291,418)	5,947,120	5,855,035	(92,085)
Fleet Vehicles		231,900	(231,900)	502,900	424,770	(78,130)
Alley Gating Scheme	8,650	18,490	(9,840)	38,490	25,000	(13,490)
Smart Bin Leases - Street Scen	6,552		6,552	5,500	5,500	0
Waste SLWP		56,230	(56,230)	5,400,230	5,399,765	(465)
Sustainable Communities	6,566,026	4,952,513	1,613,513	13,555,740	13,555,992	252
Street Trees			0	57,690	57,690	0
Raynes Park Area Roads	0	0	0	26,110	26,110	0
Highways & Footways	1,164,178	1,942,060	(777,882)	4,594,150	4,594,130	(20)
Cycle Route Improvements	204,720	315,200	(110,480)	539,830	539,830	0
Mitcham Transport Improvements	24,759	221,680	(196,921)	278,000	278,680	680
Mitcham Area Regeneration	15,479	109,360	(93,881)	186,360	186,360	0
Wimbledon Area Regeneration	0	0	0	25,000	25,000	0
Morden Area Regeneration			0			0
Borough Regeneration	219,505	156,820	62,685	560,050	559,590	(460)
Morden Leisure Centre	4,517,108	2,000,000	2,517,108	6,203,360	6,203,360	0
Sports Facilities	73,643		73,643	446,960	446,960	0
Parks	346,634	153,503	193,131	584,340	584,392	52
Mortuary Provision		53,890	(53,890)	53,890	53,890	0

Virement, Re-profiling and New Funding - October 2018

Appendix 5b

		2018/19 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Movement	Revised 2019/20 Budget	Narrative
-	-	£	£		£	£	£		£	
Corporate Service	-									
Customer Contact - Echo Integration	(1)	0		100,300		100,300	0		0	Funded by a Revenue Contribution from reserves to Capital
Regulatory Services Project	(1)	0		96,250		96,250	0		0	Funded by £8,333 Revenue Contribution from reserves and £87,917 Contribution from Other LAs
Parking System	(1)	0		126,000		126,000	0		0	Funded by a Revenue Contribution from reserves to Capital
Civic Centre - Boilers	(1)	300,000			(200,000)	100,000	0	200,000	200,000	Re-profiled to reflect expected spending pattern
Civic Centre Imp & Adpts to Cttee Rms	(1)	0		88,000		88,000	0		0	Essential Improvements and Adaptions to Committee Rooms
Planned Replacement Programme - Data Centre		50,000			(40,000)	10,000	250,000	40,000	290,000	Re-profiled to reflect expected spending pattern
Invoice Scanning		100,000	(17,200)			82,800	0		0	Virement to e5.5 Implementation
Implementation of 5.5	(1)	0	17,200	79,800		97,000	0		0	£17,200 funded from virement from Invoice Scanning
Westminster Coroners Court	(1)	460,000			(460,000)	0		460,000	460,000	Merton's share of these costs expected in 2019-20
Community and Housing										
Disabled Facilities Grant		771,500		43,700		815,200	280,000		280,000	Additional budget funded by the Better Care Fund Grant
Libraries IT		100,000		40,000		140,000				Capitalised Salaries of IT Staff working on project omitted from original costings
Children, Schools and Families	-									
Stanford Primary School Capital Maintenance		132,330	(18,800)			113,530	0		0	Virement to Poplar and Morden based on projected spend
Poplar Primary School Capital Maintenance		40,000	16,800			56,800	0		0	Virement from Stanford based on projected spend
Morden Primary School Capital Maintenance		74,380	2,000			76,380	0		0	Virement from Stanford based on projected spend
Total		2,028,210	0	574,050	(700,000)	1,902,260	530,000	700,000	1,230,000	

1) Requires Cabinet Approval

Capital Programme Funding Summary 2018/19

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme	25,027	14,242	39,269
<u>Corporate Services</u>			
Customer Contact - Echo Integration	100	0	100
Regulatory Services Project	8	88	96
Parking System	126	0	126
Civic Centre - Boilers	(200)	0	(200)
Essential Improvements and Adaptions to Committee Rooms	88	0	88
Planned Rep. Programme - Data Centre	(40)	0	(40)
Implementation of e5.5	80	0	80
Westminster Coroners Court	(460)	0	(460)
<u>Community and Housing</u>			
Disabled Facilities Grant	0	44	44
Libraries IT	40	0	40
Proposed Capital Programme	24,770	14,374	39,144

Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme	46,608	5,154	51,761
<u>Corporate Services</u>			
Westminster Coroners Court	460	0	460
Civic Centre - Boilers	200	0	200
Planned Rep. Programme - Data Centre	40	0	40
Proposed Capital Programme	47,308	5,154	52,461

Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme	11,123	4,171	15,294

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19										Updated	APPENDIX 6
Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Expected Savings £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
Adult Social Care											
CH55	Less 3rd party payments through "Promoting Independence" throughout the assessment, support planning and review process and across all client groups. Aim to reduce Res Care by £650k and Dom Care by £337k.	987	987	0	G	987	0	G	John Morgan	Achieved as at period 6	Y
CH73	A review of management and staffing levels of the AMH team in line with the reductions carried out in the rest of ASC.	100	38	62	R	100	0	R	Richard Ellis	Defer balance of £62k to 2019.20	Y
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people - Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	0	A	38	0	G	Steve Langley		Y
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	0	G	50	0	G	Phil Howell	Work In progress.	Y
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	0	100	R	100	0	A	Richard Ellis	Defer as requires Corporate approach	Y
CH74	The implementation of the MOSAIC social care system has identified the scope to improve the identification of service users who should contribute to the costs of their care and assess them sooner, thus increasing client income. Assessed as a 3% improvement less cost of additional staffing	231	231	0	G	231	0	G	Richard Ellis	Additional income from more efficient processes. £115k achieved to date	Y
Subtotal Adult Social Care		1,506	1,344	162		1,506	0				
Library & Heritage Service											
CH56	Introduce a coffee shop franchise across 6 libraries	30	30	0	G	30	0	G	Anthony Hopkins		Y
Housing Needs & Enabling											
CH42	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	62	62	0	G	62	0	G	Steve Langley	Work on demand and capacity is in progress. May be achieved through new income streams.	Y
Public Health											
CH75	Public Health: health related services in other budgets	600	420	180	A	582	(18)	A	Dagmar Zeuner	Alternative Savings identified to meet shortfall	Y

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19										Updated	APPENDIX 6
Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Expected Savings £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Total C & H Savings for 2018/19	2,198	1,856	342		2,180	(18)				

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 18-19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<u>Schools</u>								
CSF2015-03	Increased income from schools and/or reduced LA service offer to schools	200	0	G	0	G	Jane McSherry		N
	<u>Commissioning, Strategy and Performance</u>								
CSF2015-04	Commissioning rationalisation	60	0	G	0	G	Leanne Wallder		N
	<u>Cross cutting</u>								
CSF2017-01	Review of non-staffing budgets across the department	106	0	G	0	G	Jane McSherry		N
CSF2017-02	Reduction in business support unit staff	33	0	G	0	G	Jane McSherry		N
	<u>Children Social Care</u>								
CSF2017-03	Delivery of preventative services through the Social Impact Bond	45	0	G	0	G	Jane McSherry		N
CSF2017-04	South London Family Drug and Alcohol Court commissioning	45	0	G	0	G	Jane McSherry		N
	Total Children, Schools and Families Department Savings for 2017/18	489	0		0				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES											
E&R6	Property Management: Reduced costs incurred as a result of sub-leasing Stouthall until 2024.	18	18	0	G	18	0	G	James McGinlay		N
ENV14	Property Management: Increase in income from rent reviews of c60 properties.	100	100	0	G	100	0	A	James McGinlay	Performance dependent on full implementation of commercial property review.	N
ENV16	Traffic & Highways: Further reductions in the highways maintenance contract costs following reprourement	65							James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth (ERG1)	N
ENV17	Traffic & Highways: Reduction in reactive works budget	35							James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth (ERG1)	N
ENV20	D&BC: Increased income from building control services.	35	0	35	R	35	0	A	James McGinlay	This has not been possible due to staff shortages and difficulty with filling posts	Y
ENV34	Property Management: Increased income from the non-operational portfolio.	40	40	0	G	40	0	G	James McGinlay		N
ENR8	Property Management: Increased income from rent reviews	150	150	0	G	150	0	A	James McGinlay	Performance dependent on full implementation of commercial property review.	N
PUBLIC PROTECTION											
E&R7	Parking: Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough.	163	163	0	G	163	0	G	Cathryn James		N
ENV08	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	60	0	A	Cathryn James		Y
ENV08	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	40	0	40	R	0	40	R	Cathryn James	Alternative saving required	Y
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	50	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team is proposed as part of the 2018/19 restructure of the Regulatory Services Partnership.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	0	44	R	44	0	G	Cathryn James	Saving is being achieved from current income	Y
ENR3	Parking & CCTV: Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	17	0	17	R	17	0	G	Cathryn James	Saving is being achieved from current income	Y
ALT1	Parking: The further development of the emissions based charging policy by way of increased charges applicable to resident/business permits as a means of continuing to tackle the significant and ongoing issue of poor air quality in the borough.	440	440	0	G	440	0	G	Cathryn James		N

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
PUBLIC SPACE											
E&R1	Leisure Services: Arts Development - further reduce Polka Theatre core grant	4	4	0	G	4	0	G	Anita Cacchioli		N
E&R2	Leisure Services: Water sports Centre - Additional income from new business - Marine College & educational activities.	5	5	0	G	5	0	G	Anita Cacchioli		N
E&R4	Leisure Services: Morden Leisure Centre	100	100	0	G	100	0	G	Anita Cacchioli		N
E&R20	Waste: To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions.	-2	-2	0	G	-2	0	G	Anita Cacchioli	The level of income from the successful issuing and processing of FPN has remained constant. High payment rates are being achieved supported by the prosecution of non payment with full cost being award	N
ENV18	Greenspaces: Increased income from events in parks	100	100	0	A	100	0	A	Anita Cacchioli	Works on going to secure additional income from events.	Y
ENV31	Waste: Commencing charging schools for recyclable waste (17/18) and food waste (18/19) collection	9	9	0	G	9	0	G	Anita Cacchioli	garanteed income being achieved. Risk is now manged by our collections contractor.	N
ENV32	Transport: Review of Business Support requirements	30	0	30	R	0	30	R	Anita Cacchioli	Alternative saving required	Y
ENV35	Waste: Efficiency measures to reduce domestic residual waste rounds by 1 crew following analysis of waste volumes and spread across week	150	150	0	G	150	0	A	Anita Cacchioli	Saving forms part of Phase C.	Y
ENV37	Transport workshop: develop business opportunities to market Tacho Centre to external third parties	35	35	0	G	35	0	A	Anita Cacchioli	Saving forms part of Phase C.	Y
ENR45	Transport Services: Delete 1 Senior Management post	76	76	0	G	76	0	G	Anita Cacchioli	Completed - establishment and budget has been amended to reflect the reduction of post.	Y
ENR7	Waste: Wider Department restructure in Waste Services	200	0	200	R	200	0	A	Anita Cacchioli	This will not be delivered in 2018. Review and restructure still outstanding	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R	0	10	R	Anita Cacchioli	Alternative saving required	Y
Total Environment and Regeneration Savings 2018/19		1,874	1,401	473		1,794	80				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 18-19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend?
Customers, Policy & Improvement									
CSD19	Staff reductions - Delete 1 FTE	49	0	G	0	G	James Flynn	Achieved via 0.5fte reduction in Community Engagement and remainder replaced with reduced Press & PR agency budget	Y
CS2015-11	Reduction in corporate grants budget	19	0	G	0	G	John Dimmer		Y
CSREP 2018-19 (7)	Translation - increase in income	10	0	G	0	G	Sean Cunniffe		Y
CSREP 2018-19 (16)	Operating cost reduction	11	0	G	0	G	Sophie Ellis		Y
Infrastructure & Technology									
CS71	Delete two in house trainers posts	43	0	G	0	G	Richard Warren		Y
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	0	G	0	G	Richard Neal		Y
CS2015-09	Restructure of Safety Services & Emergency Planning team	30	0	G	0	G	Adam Vicarri		Y
CS2015-10	FM - Energy invest to save	465	465	R	365	A	Richard Neal	The capital spend to achieve this was slipped and hence the saving will be delayed with £100k expected in 19/20 and the balance in 20/21. Shortfall to be funded by Corporate Services reserve	Y
CSREP 2018-19 (1)	Renegotiation of income generated through the corporate catering contract	20	0	G	0	G	Edwin O Donnell		Y
CSREP 2018-19 (2)	Review the specification on the corporate cleaning contract and reduce frequency of visits	15	0	G	0	G	Edwin O Donnell		Y
CS2015-01	Reduction in IT support / maintenance contracts	3	0	G	0	G	Clive Cooke		Y
CS2015-02	Expiration of salary protection	16	0	G	0	G	Clive Cooke		Y
CSREP 2018-19 (13)	Business Improvement - Business Systems maintenance and support	10	10	R	10	R	Clive Cooke	This saving will be met in the year from other underspends within I&T.	Y
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	20	R	0	A	Clive Cooke	This is dependent on agreement with RSSP, may be at risk in 19/20 if they don't migrate to M3 system. Saving	Y
CSREP 2018-19 (15)	Street Naming and Numbering Fees/Charges Review	15	0	G	0	G	Clive Cooke		Y
Corporate Governance									
CSD43	Share FOI and information governance policy with another Council	10	10	R	10	R	Karin lane	This saving will be met in the year from a salary underspend due to 2 staff members working slightly reduced hours. This may result in an overspend in future years if these staff wish to revert to their full time salary.	Y

CS2015-06	Delete auditor post and fees	50	0	G	0	G	Margaret Culleton		Y
CS2015-12	Savings in running expenses due to further expansion of SLLP	41	0	G	0	G	Fiona Thomsen		Y
CSREP 2018-19 (9)	Corp Gov -Reduction in running costs budgets	11	0	G	0	G	Julia Regan		Y
CSREP 2018-19 (10)	SLLp - Increase in legal income	25	0	G	0	G	Fiona Thomsen		Y
CSREP 2018-19 (11)	Audit and investigations	50	0	G	0	G	Margaret Culleton		Y
	<u>Resources</u>								
CSD20	Increased income	16	0	G	0	G	Nemashe Sivayogan		Y
CSD27	Further restructuring (2 to 4 posts)	100	0	G	0	G	Roger Kershaw		Y
CS2015-05	Staffing costs and income budgets	75	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (6)	Reduction in running costs budgets	9	0	G	0	G	David Keppler		Y
CSREP 2018-19 (3)	Miscellaneous budgets within Resources	13	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (4)	Recharges to pension fund	128	0	G	0	G	Nemashe Sivayogan		Y
	<u>Human Resources</u>								
CSREP 2018-19 (12)	Reduction in posts across the department	185	0	G	0	G	Kim Brown		Y
	<u>Corporate</u>								
CSREP 2018-19 (5)	Council tax and business rates credits	220	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (8)	Dividend from CHAS 2013 Limited	215	0	G	0	G	Ian McKinnon		Y
	Total Corporate Services Department Savings for 2018/19	2,024	505		385				

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Expected Shortfall £000	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2012-07	Children Social Care Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	7	R	0	G	0	G	Paul Angeli	The ETE saving was delivered from July 2017 and the short for the first quarter covered through reduced grant-funding for targeted intervention services.	N
	Total Children, Schools and Families Department Savings for 2017/18		7		0		0				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	Business improvement									
CSD42	Restructure functions, delete 1 AD and other elements of management	170	70	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
CS2015-	Staffing support savings	13	13	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	Infrastructure & transactions									
CS70	Apply a £3 administration charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team	35	35	R					Pam Lamb	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	Resources									
CSD26	Delete 1 Business Partner	78	78	R	0	G		G	Caroline Holland	Due to delays in projects this saving was not achieved until 18/19
	Total Corporate Services Department Savings for 2017/18		196		0		0			

										APPENDIX 7	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18											
Ref	Description of Saving	2017/18 Savings Required £000	Shortfall £000	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend ? Y/N
Adult Social Care											
CH57	Staff savings: transfer of savings from housing	50	19	G	0	G	0	G	Richard Ellis	Achievable	Y
CH35, CH36, CH52	Supporting People: re-commissioning of former Supporting People contracts. Savings can be achieved by removing funding from community alarms and reducing the capacity for housing support (including single homeless, mental health and young people at risk)	100	0	G	0	G	0	G	Richard Ellis	Work on re-commissioning in progress.	Y
Library & Heritage Service											
CH7	Introduce self-serve libraries at off peak times: Smaller libraries to be self-service and supported only by a security guard during off peak times (nb. Saving would be reduced to £45k if Donald Hope and West Barnes libraries are closed). 3.5FTE at risk	90	0	G	0	G	0	G	Anthony Hopkins	The new operating model went live in May 2018 and savings will continue to be achieved ongoing. The first year's underachievement was due to the savings only being realised over 11 months and increased one off spend for agency staff.	Y
Housing Needs & Enabling											
CH43	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	100	0	G	0	G	0	G	Steve Langley	Staffing plan agreed for implementation	Y
Total C & H Savings for 2017/18			19		0		0				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Achieved £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES														
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	0	18	R	18	0	A	James McGinlay	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
D&BC1	Fast track of householder planning applications	55	0	55	R							James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC2	Growth in PPA and Pre-app income	50	0	50	R							James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC3	Commercialisation of building control	50	0	50	R							James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	0	45	R	45	0	G	45	0	G	James McGinlay		N
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	0	35	R							James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC6	Stop sending consultation letters on applications and erect site notices only	10	0	10	R							James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV15	Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Colum stock most capable of delivering savings	148	100	48	R	148	0	G	148	0	G	James McGinlay		N
ENV20	Increased income from building control services.	35	0	35	R							James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
PUBLIC PROTECTION														
E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	15	85	R	100	0	A	Cathryn James	Wandsworth staff joined the RSP on 1st November 2017. This saving is linked to efficiencies associated with the current management restructure of the RSP.	Y
ENV02	Review the current CEO structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off.	190	0	190	R	0	190	R	190	0	A	Cathryn James	This saving is not currently being achieved as there has been slippage in the timetable for the restructure. Mitigation could come from increased revenue.	Y
ENV03	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	0	45	R	0	45	R	Cathryn James	Alternative saving required	Y
ENV06	Reduction in transport related budgets	46	0	46	R							Cathryn James	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV09	Investigate potential commercial opportunities to generate income	50	7	43	R	0	50	R	50	0	A	Cathryn James		Y
PUBLIC SPACE														
E&R16	Joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	795	705	R	1,382	118	R	1500	0	A	Anita Cacchioli	Actual savings delivered are being monitored closely	N
E&R25	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	44	116	R	160	0	G	160	0	G	Anita Cacchioli		N
ENV12	Loss of head of section/amalgamated with head of Greenspaces	70	0	70	R	0	70	R	70	0	A	Anita Cacchioli		N
ENV13	Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.	70	0	70	R	70	0	G	70	0	A	Anita Cacchioli	Saving forms part of Phase C, but may not be achieved this financial year.	N
ENV18	Increased income from events in parks	100	0	100	R							Anita Cacchioli	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	0	6	R	6	0	G	6	0	G	Anita Cacchioli		N
ENV23	Further savings from the phase C procurement of Lot 2.	160	0	160	R	70	90	R	160	0	A	Anita Cacchioli	Saving forms part of Phase C, but will not be achieved this financial year.	N
ENV25	Department restructure of the waste section	191	0	191	R	191	0	G	191	0	A	Anita Cacchioli		Y
Total Environment and Regeneration Savings 2016/17		3,134	946	2,188		2,087	666		2,708	45				

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving		2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
ENV03	Service/Section Description Service Implication Staffing Implications Business Plan Impact on other Equalities Implications TOM Implications	Parking Services (CEO team) Reduction number of team leader posts from 4 to 3 Reduced overall management Loss of 1 team leaders post [of 4fte] Potential drop in compliance rates. None None Consistent with direction of travel in reducing management overheads .	45			Low	Medium	SS2
ENV08	Service/Section Description Service Implication Staffing Implications Business Plan Impact on other Equalities Implications TOM Implications	Regulatory Services Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP . None One FTE funded by Public Health Not known at this stage None Not known at this stage Not known at this stage		40		Medium	Medium	SG1
ENV32	Service/Section Description Service Implication Staffing Implications Business Plan Impact on other Equalities Implications TOM Implications	Transport Services Review of Business Support requirements Post Phase C there will be a change in the Business Support requirements, following the loss of much of the fleet management to the new contractor. It is anticipated that this will lead to a reduction in 1FTE Reduction of 1 fte [of 8.33fte] Saving would result in a reduction in client budgets. Consistent with TOM direction of travel		30		Medium	Low	SS2
ENR7	Service/Section Description Service Implication Staffing Implications Business Plan Impact on other Equalities Implications TOM Implications	Transport Services Shared Fleet services function with LB Sutton Additional administration for c40 vehicles None None None None This proposal is set out in the Council's Transport TOM and accords with maximising income from third parties.		10		Med	Low	SI2
Total Environment and Regeneration Savings			45	80	0			

Alternative Saving

Ref	Description of Saving		2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
ALT2	Service/Section Description	Parking Services Reduction of 2fte from the Parking establishment in administrative/processing roles as a result of the impending new permit system			57	Low	Low	SS2
	Service Implication	None						
	Staffing Implications	Reduction of 2fte						
	Business Plan implications	None						
	Impact on other departments	None						
	Equalities Implications	None						
	TOM Implications	Consistent with TOM direction of travel						
ALT3	Service/Section Description	Parking Services Reduction in the number of pay & display machines required.			14	Low	Low	SNS1
	Service Implication	There will be a level of one-off costs in respect of machine removal, but this is yet to be quantified.						
	Staffing Implications	None						
	Business Plan implications	None						
	Impact on other departments	An element of this saving (c£26k) relates to cash collection, the budget for which sits within Corporate Services.						
	Equalities Implications	To be completed.						
	TOM Implications	None						
ALT4	Service/Section Description	Waste Services Environmental Enforcement - Maintain a payment rate of 70% for all FPN issued.			54	Low	Low	SP1
	Service Implication	Increase in the quality of the FPN issued. This increase in operatives performance is vital in ensuring areas of non payment can be escalated through our legal process.						
	Staffing Implications	None						
	Business Plan implications	None						
	Impact on other departments	None						
	Equalities Implications	Completed - None identified						
	TOM Implications	In line with TOM, contributes to a cleaner borough and acknowledges that litter is the number one concern of our residents						
Total Environment and Regeneration Savings			0	0	125			

Savings Type

SI1	Income - increase in current level of charges
SI2	Income - increase arising from expansion of existing service/new service
SS2	Staffing: reduction in costs due to deletion/reduction in service
SNS1	Non - Staffing: reduction in costs due to efficiency
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service

Panel

C&YP	Children & Young People
CC	Corporate Capacity
HC&OP	Healthier Communities & Older People
SC	Sustainable Communities

- SP1** Procurement / Third Party arrangements - efficiency
- SP2** Procurement / Third Party arrangements - deletion/reduction in service
- SG1** Grants: Existing service funded by new grant
- SG2** Grants: Improved Efficiency of existing service currently funded by unringfenced grant
- SPROP** Reduction in Property related costs

DEPARTMENT: Community and Housing

Panel	Ref	Notes	Description of Saving	Baseline Budget 18/19 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Adult Social Care										
	CH75		<p>Service/Section Description Public Health Public Health: health related services in other budgets</p> <p>Service Implication There will be reduced activity in non-statutory and lower priority</p> <p>Staffing Implications Nil</p> <p>Business Plan nil</p> <p>Impact on other Equalities nil</p> <p>Equalities By its nature Public Health focuses on those with poorer health</p> <p>TOM Implications The impact of the ending of ring-fenced Public Health grant needs to be</p>		180	0	0	High	Medium	SNS1
Total Community & Housing Savings to be Repalced					180	0	0			

Alternative Savings

DEPARTMENT: Community and Housing

Panel	Ref	Notes	Description of Saving	Baseline Budget 18/19	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CH85		<p>Description Review of external Woodland Day Care Contract</p> <p>Service Implication The proposal is to effectively contract with the incumbent provider, Central and Cecil, for a maximum of 30 places per day of external day care provision. This reduces the volume of placements available but reflects actual usage and therefore does not impact on individuals already accessing the service. The proposal will reduce the costs to adult social care budgets, whilst continuing to make best use of both existing day service resources.</p> <p>Staffing Implications None</p> <p>Business Plan None</p> <p>Impact on other Equalities Current users of the service will be unaffected There is sufficient capacity across all day activities for older people to meet expected demand.</p> <p>Implications</p> <p>TOM Implications Efficient use of resources</p>		£30			Medium	Medium	SP1

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DEPARTMENT: Community and Housing

Panel	Ref	Notes	Description of Saving	Baseline Budget 18/19 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CH86	Investment funded from winter resilience grant	<p>Description Winter Short Term Beds</p> <p>Service Implication The proposal is to reduce the long-term pressures that arise from winter peaks in activity and provide a period of recuperation for some residents in residential or nursing care as well as utilize this service to prevent admission to hospital if needed.</p> <p>Staffing Implications None</p> <p>Business Plan None</p> <p>Impact on other none</p> <p>Equalities Implications The proposal will have a positive impact for older people being discharged from hospital</p> <p>TOM Implications Efficient use of resources</p>		£150			Medium	Low	SP1
Sub-total				0	180	0	0			
Total Community & Housing Alternative Savings					180					

Savings Type

- SS1 Staffing: reduction in costs due to efficiency
- SS2 Staffing: reduction in costs due to deletion/reduction in service
- SNS1 Non - Staffing: reduction in costs due to efficiency
- SNS2 Non - Staffing: reduction in costs due to deletion/reduction in service
- SP1 Procurement / Third Party arrangements - efficiency
- SG1 Grants: Existing service funded by new grant
- SG2 Grants: Improved Efficiency of existing service currently funded by unringfenced grant
- SPROB Reduction in Property related costs
- SI1 Income - increase in current level of charges
- SI2 Income - increase arising from expansion of existing service/new service

Panel

- C&YP
- O&S
- HC&OP
- SC

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VIREMENT REQUEST FORM 2018/2019

This form should be completed in all cases where a transfer is requested between Revenue Budgets. It is designed to meet the requirements of the Scheme of Virement included in the Financial Regulations.

Type of Budget Transfer	Authority Required	Mark with "X"
Technical adjustment (as per note 9 in Scheme of Virement)	Departmental Financial Manager	
Transfers between budget heads up to £5,000 per annum	Budget Holder (for Chief Officer) who shall notify the Chief Officer in writing	
Transfers between budget heads between £5,000 and £100,000 per annum	Appropriate Chief Officer who shall obtain the agreement of the Chief Finance Officer	
£100,000 and over	Cabinet Approval	x
Transfers from earmarked reserves under £100,000	Director of Corporate Services	
Transfers from earmarked reserves £100,000 and over	Cabinet Approval	

Justification for Virement / Transfer

Restoration of deferred Community & Housing transport (savings reference CH72) budget. Savings deferred to enable a comprehensive Corporate review of community transport

Financial Year	2018/19	Permanent: Y/N	Y
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User Code				Current Budget	Virement Requested	Revised Budget
Cost centre	Nominal	Project	Sub-nominal	£	£	£
221106	2102	00000000	00000	130,480	100,000	230,480
221210	4260	00000000	00000	7,216,790	(100,000)	7,116,790
						0
						0
						0
						0
						0
						0
TOTALS				7,347,270	0	7,347,270

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