

Public Document Pack

Merton Council

Overview and Scrutiny Commission - financial monitoring task group

Task group members

Councillors:

Iain Dysart
Suzanne Grocott
Diane Neil Mills
Dennis Pearce
Peter Southgate (Chair)

Tuesday 29 October 2013 at 7.00 pm
Committee room B - Merton Civic Centre, London Road,
Morden SM4 5DX

Agenda

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| 2 | Local council tax benefit scheme
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Contact for further information about the task group meeting:

Julia Regan, Head of Democracy Services, 020 8545 3864; scrutiny@merton.gov.uk

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Committee: Overview and Scrutiny Commission – Financial Monitoring Task Group

Date: 29 October 2013

Agenda item:

Wards:

Subject: Council Tax Support Scheme

Lead officer: Caroline Holland – Director of Corporate Services

Lead member: Councillor Mark Allison

Forward Plan reference number:

Contact officer: David Keppler – Head of Revenues and Benefits

Tel. 020 8545 3727

Email: david.keppler@merton.gov.uk

Recommendations:

That members of Overview and Scrutiny Financial Monitoring Task Group:

- A. Note that the council tax support scheme for 2013/13 was implemented on 1 April 2013 and that the level of council tax support granted in 2013/14 has reduced from the level of council tax benefit granted in 2012/13.
- B. Note that a minor change is being proposed to the 2014/15 council tax support scheme to ensure that residents currently receiving council tax support do not face an increase in their council tax bills from April 2014.
- C. Note that the removal of exemptions and discounts for empty properties was implemented on 1 April 2013 and that the level of net collectable council tax debt has increased by approximately £2.5 million on last year.
- D. Note that despite the increase in the net collectable council tax debt the collection rate for 2013/14 is slightly higher than for the same period last year.
- E. Note the potential options for changing the council tax support scheme for 2015/16 and gives a steer on how it would like to see a more detailed proposal progressed.
- F. Decides how it will report this information back to the Overview and Scrutiny Commission.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. As part of its work program Overview and Scrutiny Commission wanted a report to it in November 2013 regarding the council tax support scheme.
- 1.2. As the Overview and Scrutiny Commission meeting on the 26 November has a full agenda this report is presented to the Financial Task Group.

1.3. This report provides information on:

- (1) The implemented council tax support scheme for 2013/14.
- (2) Details of neighbouring authorities council tax support schemes.
- (3) The minor change required to the council tax support scheme for 2014/15.
- (4) The implemented changes to council tax empty properties.
- (5) The possible options available to change the council tax support scheme from 2015/16 and the outline timetable for this.

1.4. The Financial Task Group reviews the information received and determines how it reports the information back to the Overview and Scrutiny Commission.

2 DETAILS

2.1. Council Tax Support Scheme 2013/14

2.2. As part of the Spending Review 2010, the Government announced that it intended to localise council tax benefit (CTB) from 1 April 2013 with a 10% reduction in expenditure. These plans were included as part of the terms of reference for the Local Government Resource Review.

2.3. Councils were required to agree local schemes by the 31 January 2013.

2.4. On the 21 November 2012 full Council approved that the Council would absorb the funding reduction for council tax support and adopt the existing default scheme as its local council tax support scheme. It also agreed that a review of local schemes would be undertaken for the full year of 2013/14 and that changes arising from the review will be developed for consideration for the 2015/16 budget process. In effect this meant Merton would adopt the default scheme for 2013/14 and 2014/15.

2.5. As part of the 2013/14 Local Government Finance Settlement the reduced level of funding paid to Merton as Council Tax Support Grant was £9.731 million. Merton's forecast based on estimated council tax benefit expenditure for 11/12 indicated the loss of council tax due to the scheme would be £11.010 million (Merton only share). The Government assumed a 10% reduction and applying this to £11.010million equates to £9.909million.

2.6. Council tax support was implemented from 1 April 2013 and the estimated council tax support expenditure for Merton for 2013/14 is £10.635 million. Merton was also eligible for a grant of £274,697 to support the scheme.

2.7. The amount of council tax support granted in 2013/14 has reduced from the level of council tax benefit granted in 2012/13. In 2012/13 approximately £14.0 million was granted compared to £13.6 million council tax support in 2013/14, (these figures include the GLA share)

2.8. There has been a reduction in the number of live claims in payment, from an average of 14,130 in 2012/13 to 13,980 in 2013/14.

2.9. Another reason for the reduction relates to the impact of the 2013/14 uprating process which saw a 10% increase in most non-dependant

deductions. (Non-dependant deduction is the amount an over 18 year old is expected to contribute to the household and therefore the council tax support is reduced by this amount)

2.10. The expected expenditure for the 13/14 council tax support scheme is in line with the estimated budgeted expenditure.

2.11. **Neighbouring Council's Council Tax Support Schemes 2013/14**

2.12. In London the majority of Council's have adopted local council tax support schemes which pass on the full or part of the funding reduction and results in a reduction of assistance for existing claimants of council tax benefit. From data collected in March at least 7 London boroughs absorbed the funding reduction, 3 boroughs partially absorbed the reduction and 2 boroughs failed to confirm either way, the remainder all passed on the funding reduction.

2.13. As requested by Overview and Scrutiny listed below is a summary of the changes neighbouring Council's have made to their new schemes. Please note that with all the schemes pensioners are exempt and none of the changes apply to them.

2.14. Sutton Council

- Restrict support at band D
- Reduce savings limit from £16,000 to £10,000
- Remove second adult rebate
- Increase non-dependant deductions (over 18 year olds living in the property)
- Everyone shall pay something
- Increased taper from 20% to 25% (support reduces by this percentage for every addition pound of income)
- Will include 25% of child benefit (currently disregarded)
- Most vulnerable are protected (pensioners, claimants receiving disability benefits/premiums and claimants with a child under five)

Sutton have estimated that around 4,800 households will be affected by the changes with:

31 residents affected by an average of £23 a week
190 residents affected by an average of £14 a week
378 residents affected by an average of £8 a week
497 residents affected by an average of £5 a week
2894 affected by an average of £3.50 a week
800 affected by an average of £1 a week.

2.15. Croydon Council

- Restrict support to band D
- Reduce savings limit from £16,000 to £8,000
- Remove second adult rebate
- Increase non-dependant deductions

- Everyone shall pay something
- Most vulnerable protected (pensioners, in receipt of disability living allowance, income support or employment support allowance or single parents with a child or children under five)

Croydon will ask all working age people not working to pay at least 15% of their council tax liability, this will equate to approximately £3.50 per week.

They will ask all working age people that are working to pay at least 15% more of their council tax liability (on average this is £5.00 per week)

They will ask other adults living in the property who are not the main taxpayer or partner to contribute more to meeting the council tax, many who do not currently contribute anything will be asked to contribute £3.50 per week.

2.16. Kingston Council

- Remove second adult rebate
- Increase non-dependant deductions
- Most vulnerable protected (claimants in receipt of disability benefits/premiums)

2.17. Richmond Council

- Remove second adult rebate
- Increase non-dependant deductions
- Earnings disregard increased (increase in amount of earnings that are not taken into account for calculation)
- Most vulnerable protected (as within council tax benefit scheme)

Richmond have estimated that 422 claimants will lose an average of £5.88 per week in support.

2.18. Sutton and Croydon have substantially changed their local schemes from the default scheme with the result of thousands of benefit claimants having to contribute more to their council tax. Residents who have not previously had to pay any council tax are now required to make a contribution.

2.19. Both Sutton and Croydon have reported collection rates of 87% and 88% respectively against the council tax support scheme.

2.20. Sutton have reported that so far this year they have issued summonses for council tax arrears to 270 residents affected by the changes to their scheme. They have not stipulated if these are for residents who have had to pay council tax for the first time or have an increased bill due to the changes. They reported that approximately 4,800 residents faced an increased council tax bill which means 5% have been taking through the court process. The issue of a summons and obtaining a liability order adds further costs to the

resident that are added to the council tax bill (Sutton charge £110.00 for issuing the summons and £20.00 for obtaining the liability order).

2.21. Council Tax Support Scheme 2014/15

2.22. As detailed in 2.4 above, full Council approved that the Council would absorb the funding reduction for council tax support and adopt the existing default scheme as its local council tax support scheme. It also agreed that a review of local schemes would be undertaken for the full year of 2013/14 and that changes arising from the review will be developed for consideration for the 2015/16 budget process. In effect this meant Merton would adopt the default scheme for 2013/14 and 2014/15.

2.23. Each year the Government uprate the housing benefit scheme and used to uprate the old council tax benefit scheme. This is where state pensions and benefits are increased by a set percentage and the Government also increase the applicable amounts and personal allowances (elements that help identify how much income a family or individual requires each week before their housing benefit starts to be reduced) and also non dependant deductions (the amount a non child who lives with the claimant is expected to contribute to the rent and or council tax each week).

2.24. The Government have stated that under the new scheme pensioners must not be worse off and that existing levels of support for them must remain and this protection will be achieved by keeping in place existing national rules, with eligibility and rates defined in Regulations broadly similar to those that already exist. This is known as the Prescribed pensioners scheme.

2.25. When full Council adopted the Governments default last year it was not clear what would happen with regards to the uprating of the default scheme from April 2014. At the end of September 2013 advice has been received from the Department of Communities and Local Government that if a Council does not agree its local scheme for 2014/15 by the 31 January 2014 then the Council's own scheme for 2013/14 becomes its new default scheme and will continue for the financial year 2014/15.

2.26. The means for Merton residents that their state benefits would be increased through the government uprating but without making a minor change to the council tax support scheme the applicable amounts and personal allowances, and non dependant deductions would all remain unchanged. This would result in non pension age claimants in receipt of state benefits facing increased council tax bills.

2.27. The intention of the full Council decision was that residents would not be worse off under council tax support for 2013/14 and 2014/15. Therefore a minor change is required to the council tax support scheme to apply the uprating process to it.

2.28. It is estimated that if the uprating was not applied the expenditure of the scheme, if everything else remained constant, would reduce by approximately £30,000 for the year.

2.29. Any change to the council tax support scheme for 2014/15 must be agreed by full Council before the 31 January 2014. In addition, any changes to the scheme must be consulted on.

- 2.30. A formal consultation exercise commenced on 10 October 2013 offering two options. The first option is to uprate the council tax support scheme and second option is not to uprate the council tax support scheme. The Council is consulting with residents, benefit claimants, the GLA, voluntary sector groups and Councillors.
- 2.31. The results of this consultation exercise will be fed into the report which goes to full council on the 20 November 2013, the last meeting before the deadline.
- 2.32. The Government will uprate the housing benefit scheme from the 2 April 2014 and the detail of this process is unlikely to be known until early December. The Government will also uprate the Prescribed pensioner scheme for council tax support from 1 April 2014. Once the detailed information is known it is proposed to use the data from this to uprate the council tax support scheme.
- 2.33. Any uprating of the council tax support scheme will be effective from the 1 April 2014
- 2.34. **Council Tax Technical Reforms - Removal of exemptions and discounts for empty properties**
- 2.35. On the 6 February 2013 Council agreed to remove the 10% discount on second homes and remove the exemptions for long term empty properties (class C exemption) and empty and uninhabitable properties (class A exemption)
- 2.36. As part of the budget process for 2013/14 it was estimated that the value of these changes would be £1.581 million and that this would increase the council tax base by 1,121.5.
- 2.37. These changes were implemented from April 2013. There have only been 2 complaints received regarding the removal of the discounts/exemptions.
- 2.38. Since April 2013, due to council tax technical reforms and the reduction in the level of council tax support being granted the net council tax debt being collected for 2013/14 has increased considerably compared to 2012/13. The table below shows the level of council tax debt after the award of discounts and exemptions, the amount of council tax support being granted and the net collectable debt being collected.

Month/Year	Oct 12 £ million	Mar 13 £ million	Apr 13 £ million	Sept 13 £ million
Debt after discounts & exemptions	110.861	111.031	112.930	113.091
CTS granted	14.012	14.035	13.616	13.593
Net collectable debt	96.849	96.995	99.314	99.498

Note: The figures for CTS for October 12 and March 13 are based on the council tax benefit scheme.

- 2.39. The debt after discounts and exemptions figure will vary throughout the year based on a number of different factors, those being, number of new properties (increase or decrease in property numbers), number of other discounts and exemptions granted such as single person discount, student exemption.
- 2.40. Full Council also requested a review of the empty homes premium to establish if a premium should be charged on empty properties. This review will be undertaken for the full year of 2013/14 and then reported back to Cabinet for consideration for the 2015/16 budget process
- 2.41. **Council Tax Support Scheme 2015/16**
- 2.42. Full Council agreed that a review of local schemes would be undertaken for the full year of 2013/14 and that changes arising from the review will be developed for consideration for the 2015/16.
- 2.43. Unless the Council wanted to start from scratch and devise a new council tax support scheme with different principals to the existing housing benefit and council tax support scheme, the only real option available is to make adjustments to the existing scheme similar to those made by neighbouring authorities and the majority of Council's that have implemented new schemes.
- 2.44. Devising a completely new scheme would be expensive as we would need to procure a new computer system or pay our existing supplier to provide an enhancement. We have already had to pay the existing supplier £36,000 to develop the council tax support scheme infrastructure along with the flexibility to adjust and amend the scheme as required. The cost of development of council tax support was extremely high and was shared between all the system users. The costs of a be-spoke system to be developed for the Council would be prohibitive. For 2013/14 £99,546 funding has been provided by the Department of Communities and Local Government for supporting and developing the council tax support scheme. It is not clear at this stage if this funding will be available for 2014/15.
- 2.45. The easiest scheme to administer would be based on banded discounts dependant on level of income where the Council did not have to undertake the "means test" and collating income and evidence. However, to achieve this we would require all claimants to be receiving Universal Credit and for the Department of Work and Pensions to provide the Council with data on all residents. If this was possible we could then devise a discount scheme dependant on level of income. So for example, we may choose to grant 100% discount if the claimants income was below a certain level based on circumstances, then a 75% discount if the income was slightly more than this level etc.
- 2.46. We are some way away from the possibility of a scheme like this as Universal Credit has not been rolled out other than in small pilot areas. We would need all our residents to be transferred to Universal Credit to achieve this. The initially implementation plan for Universal Credit had all claimants migrated by the end of 2017. Although there have been delays in the

implementation timetable it is not clear if this is still on course to be achieved.

- 2.47. Given the above, at this stage the only practical option available is to make changes to the scheme similar to neighbouring authorities, such as restrict council tax support to a lower council tax band, reduce the capital limit, increase non-dependant deductions, everyone shall pay something etc.
- 2.48. Attached as appendix 1 is a list of potential changes that could be made, how much the change would reduce the council tax support bill by, the likely number of claimants affected and specific examples of the impact.
- 2.49. It should be noted that these figures are based on council tax benefit granted in 2011/12. These options were developed using a modelling tool to help devise changes to council tax support for 2012/13. Unfortunately, it has not been possible to use more up to date data due to technical issues with the current modelling tool available. Work is being undertaken to fix this issue to ensure that a more accurate estimate will be provided of any preferred option.
- 2.50. There could be up to a 10% error rate in the figures as since these options were developed there has been a reduction in amount of council tax support granted, as explained in 2.9 and 2.10 above.

3 ALTERNATIVE OPTIONS

- 3.1. None for the purpose of this report

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. A consultation exercise is currently underway for the proposed change to the 2014/15 Council Tax Support scheme.
- 4.2. There would need to be a formal consultation exercise for any proposed changes to the council tax support scheme from 2015/16.
- 4.3. This consultation exercise would need to be undertaken during the summer of 2015 so that full Council could agree the new scheme on

5 TIMETABLE

- 5.1. The proposed changes to the council tax support scheme for 2014/15 must be agreed by the 31 January 2014.
- 5.2. A report will be presented to full Council on the 20 November 2013 for agreement of the minor changes to the scheme.
- 5.3. Any changes to the council tax support scheme for 2015/16 must be agreed by full Council before 31 January 2016.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. The financial impact of the changes to the council tax support scheme and the removal of discounts and exemptions for empty properties have been built into the council tax base calculation for 2013/14 that was agreed by Council as part of the budget process.
- 6.2. The council has recently submitted its Council Tax Base Return (CTB) to Government. This is based as at October 2013 and incorporates the latest information on Council Tax Support and discounts and exemptions. This will be used to calculate the Council Tax Base for 2014/15 and the MTFs 2014-18 will be updated as appropriate during the budget process.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Any changes to the Council's council tax support scheme must be agreed by full Council before the 31 January of the year the change is proposed. If a scheme is not agreed then the previous years scheme becomes the default scheme for the new financial year.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. There must be formal consultation exercise undertaken before any changes to the council tax support scheme.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. Any potential local scheme which results in reductions of support could mean some residents who have never paid council tax before having a small charge to pay. In the past it has proved difficult in collecting council tax or community charge from residents who are on limited income and or benefits.
- 9.2. It is possible that collection rates will fall and increased council tax recovery action is required to pursue this new debt. Alternatively there could be an increase in bad debt provision or write off of uncollected council tax.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. The Council will need to closely monitor the cost of the local scheme to ensure it is affordable for future years and provide a financial contingency for the scheme to cover for possible increased caseload.
- 10.2. If a local scheme is agreed which results in reduced council tax support for residents there could be a risk that the collection rate would fall as it is likely that many residents would be required to contribute towards council tax for the first time and the council tax could prove difficult to collect.
- 10.3. Consideration should be given for an increased bad debt provision.

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

11.1. Appendix A – Options of changes to scheme with the financial impact on scheme and claimants

Appendix 1

Change to scheme	Reduction in council tax support	Approximate cases affected	Comments and examples of claim types and potential change for the year
Reducing the capital limit to automatic exclusion from £16,000 to £8,000	£33,000	70 cases	<p>10 cases would lose over £1,000</p> <p>Couple with £15,500 savings to lose £1,590.00</p> <p>Couple with one child with £12,700 savings to lose £1,253.00</p>
Remove second adult rebate. This is where a customer who is working has another adult occupier in their property and the occupier is on a low income, therefore the customer receives up to a 25% reduction, equal to their single person discount	£28,000	140 cases	<p>39 cases would lose over £300.00</p> <p>Single claimant in band G property with an elderly relative will lose £597.67 (with 2AR claims we do not always know the income of the claimant)</p>
<p>Increase deductions for all working non-dependants. (Non-dependants are other adult occupiers over 18 years old)</p> <p>Current weekly deductions based on weekly wages are:</p> <p>Up to £183 - £3.30 deducted</p> <p>£183 to £316 - £6.55 deducted</p> <p>£316 to £394 - £8.25 deducted</p> <p>Over £394 - £9.90 deducted</p> <p>Proposed change:</p> <p>Up to £100 - £5.00 deducted</p>	£92,000	340 cases	<p>65 cases would lose over £400.00</p> <p>Couple on job seekers allowance with two adults over 18 and both working will lose £790.00 – current weekly deduction for two over 18's is £3.30 and £6.55 – would change to £5.00 and £15.00</p>

£100 to £179 - £10.00 deducted Over £180 - £15.00 deducted			
Make deductions of £3.50 per week for all non-working non-dependants	£43,000	210 cases	14 cases would lose over £300.00 Couple on job seekers allowance with 3 children and 2 non dependants out of work will lose £364.00
Increase taper to 22.5p in the pound – (for every pound above your basic needs (applicable amount) the benefit is reduced by the taper level – which is currently 20p for council tax benefit and 65p for housing benefit)	£103,000	1980 cases	185 cases would lose over £100.00 Couple with 2 student non dependants would lose £148.00 – it should be noted that this case would also lose benefit under the option above (make deductions of £3.50 per week for all non-working non-dependants)
Reduce earned income disregard for lone parents from £25.00 to £15.00 (couples disregard is £10.00)	£60,000	650 cases	478 cases will lose £104.00 Lone parent with one child weekly income is £273.45 would lose £2.00 per week (£104.00 p.a.)
Restrict benefit to council tax band F level	£7,000	32 cases	6 cases would lose over £300.00 Single claimant on job seekers allowance with 3 children and 1 non dependant on income support in band G property would lose £313.00 – if the option to make a deduction for non-working non-dependants is agreed then an additional £182.00 would also be lost
Restrict benefit to council tax band E level	£29,000	105 cases	40 cases would lose over £300.00 Single claimant receiving full benefit in band G property would lose £478.00 Couple with four children in receipt of job seekers allowance in a band G property would lose £625.00
Reduce benefit by 10% for all passported benefit cases – (claimants	£530,000	4940 cases	2775 cases would lose over £100.00

who receives another benefit that entitles them to maximum council tax benefit, income support, job seekers allowance, employment and support allowance)			Single claimant with 3 children and 1 non dependant living in band G property would lose £235.00 - if the option to make a deduction for non-working non-dependants is agreed then an additional £182.00 would also be lost
Reduce benefit by 10% for all non-passported cases – (claimants not receiving another benefit that entitles them maximum council tax benefit)	£310,000	3548 cases	1220 cases would lose over £100.00 Single claimant of 58 with a weekly income of £99.00 in a band G property would lose £4.60 per week (£240.00 p.a)
** Reduce benefit by 20% for all passported benefit cases – (claimants who receives another benefit that entitles them to maximum council tax benefit, income support, job seekers allowance, employment and support allowance)	£1,070,000	5177 cases	2700 cases would lose over £200.00 Lone parent with 4 children living in a band E property would lose £6.61 per week (£345.00)
** Reduce benefit by 20% for all non-passported cases – (claimants not receiving another benefit that entitles them maximum council tax benefit)	£,630,000	3858 cases	1150 cases would lose over £200.00 per week Couple with 3 children with weekly income of £255.00 would lose £5.28 per week (£275.00)

** Extracted on newer data and therefore numbers do not tie up exactly with reducing benefits by 10% options

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Cabinet

21 October 2013

Agenda item:

Wards:

Business Plan Update 2014-2018

Lead officer: Caroline Holland

Lead member: Councillor Mark Allison

Key Decision Reference Number: This report is written and any decisions taken are within the Budget and Policy Framework Procedure Rules as laid out in Part 4-C of the Constitution.

Contact officer: Paul Dale, Interim Assistant Director of Resources

Urgent report:

Reason for urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest available information on the Business Plan and Budget 2014/15 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2014-2018. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 5 March 2014 and set a Council Tax as appropriate for 2014/15.

Recommendations:

1. That Cabinet notes the latest draft MTFS 2014-18
 2. That Cabinet agrees the draft Capital Programme 2013-2018 for consideration by scrutiny in November.
 3. That Cabinet notes the indicative capital programme for 2018-23
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update to Cabinet on the Business Planning process for 2014-18 and in particular on the progress made so far towards setting a balanced revenue budget for 2014/15 and over the MTFS period as a whole.
- 1.2 The report also sets out proposals for producing an achievable and affordable capital programme for 2014-18.
- 1.3 The details in this report will be considered by the Overview and Scrutiny Panels, Financial Monitoring Task Group, and Commission in October/November and reported back to Cabinet in December 2013.

2. DETAILS

Introduction

2.1 A review of assumptions in the MTFs was undertaken and reported to Cabinet on 16 September 2013. The budget gap over the four year period was as set out in the following table:-

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Budget Gap (cumulative)	305	7,144	10,316	17,555

2.2 Cabinet noted the rolled forward MTFs and the use of reserves in order to eliminate the gap of £0.305m in 2014/15. Furthermore, use of reserves of £5.447m in 2015/16 was also noted, which leaves the following budget gap to be met from future savings:-

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Budget Gap (cumulative)	0	1,697	10,316	17,555

2.3 Cabinet agreed to the approach to setting a balanced budget over the period of the Medium Term Financial Strategy 2014-18 and agreed to the proposed savings targets for each department, which are based on controllable expenditure, set out in the following table;

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Community and Housing	0	491	2,492	2,093	5,076
Children, Schools and Families	0	265	1,344	1,129	2,738
Environment and Regeneration	0	645	3,276	2,752	6,673
Corporate Services	0	296	1,507	1,265	3,068
Total Savings	0	1,697	8,619	7,239	17,555
Cumulative	0	1,697	10,316	17,555	

2.4 Review of Assumptions

2.4.1 There are a variety of technical issues that will impact on the budget gap in 2014/15 and beyond. The major changes since the report to Cabinet in September relate to:-

2.4.2 Settlement Funding Assessment: RSG and Business Rates

Cabinet on 16 September 2013 were advised of the latest Central Government funding projections following the Spending Review 2013.

Since then, the DCLG have notified local authorities that there was a flaw in their methodology regarding the future treatment of 2013-14 Council Tax Freeze Grant since it did not fulfil the Government's objective of ensuring that the funding is not reduced in cash terms and only goes to those authorities that met the criteria for the Council Tax Freeze Scheme in 2013-14. The change has the following implications for the MTFS:-

RSG/Business Rates and Council Tax Freeze Grant 2013/14	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Cabinet 16 September 2013	(71,760)	(62,319)	(60,784)	(59,430)
Latest forecast from DCLG	(71,773)	(62,323)	(60,851)	(59,557)
Change	(13)	(4)	(67)	(127)

2.5 Capital Programme

- 2.5.1 The revenue implications of funding the capital programme can have major implications for the Council's MTFS. It is important that accurate projections of capital financing costs are available as soon as possible because they can have a significant impact on the budget gap.

The following details are provided in appendices to this report

Appendix 1: Proposed Capital Programme 2013-18

Appendix 2: Indicative Capital Programme 2018-23

For every £1million capital expenditure that is funded by external borrowing there will be revenue debt charges of between £249,000 for assets with a life of 5 years to £69,000 for an asset life of 50 years.

The revenue implications of the proposed programme are:

	2013/14 Budget £000	2013/14 Forecast £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
MRP	7,569	7,405	7,652	8,487	9,279	10,333
Net interest	6,309	6,236	6,280	6,350	6,372	6,455
Capital financing costs	13,878	13,641	13,932	14,837	15,651	16,788

2.6 Summary

2.6.1 As a result of the changes discussed in this report, the latest position of the MTFs 2014-18 is as follows:-

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Departmental Base Budget '13/14	151,915	151,915	151,915	151,915
Inflation (Pay, Prices)	3,037	6,075	9,516	12,957
Auto-enrolment/Nat. ins changes	0	0	1,000	2,000
Full Year Effect – Previous Years Savings	-9,719	-12,167	-15,094	-15,094
Income – Additional Fees & Charges	-669	-1,339	-2,008	-2,676
Growth	1,000	2,000	2,000	2,000
Revenuisation	-672	-1,172	-1,274	-1,274
Taxi card/Concessionary Fares	436	873	1,323	1,773
Education Services Grant	-3,344	-2,675	-2,675	-2,675
NHS t/f of Social Care Funding	-2,123	-2,223	-2,223	-2,223
Other (inc. reduced service grants)	37	387	1,070	1,142
Re-Priced Departmental Budget	139,898	141,674	143,550	147,845
Treasury/Capital financing	13,932	14,837	15,651	16,787
Other Corporate items	4,995	-2,946	-4,452	-4,452
Levies	645	645	645	645
Sub-total: Corporate provisions	19,573	12,536	11,844	12,980
BUDGET REQUIREMENT	159,471	154,210	155,394	160,825
Funded by:				
Revenue Support Grant	-39,334	-28,973	-26,836	-24,860
Business Rates	-32,439	-33,349	-34,016	-34,696
C. Tax Freeze Grant 2014/15	-848	-848	0	0
C. Tax Freeze Grant 2015/16	0	-848	0	0
PFI Grant	-4,797	-4,797	-4,797	-4,797
New Homes Bonus	-2,882	-2,487	-2,000	-2,000
Council Tax inc. WPCC	-75,250	-75,626	-76,004	-76,384
Collection Fund - Council Tax	-3,154	0	0	0
Collection Fund - Business Rates	-600	0	0	0
TOTAL FUNDING	-159,304	-146,928	-143,653	-142,737
GAP (Cumulative)	167	7,282	11,741	18,088
- Use of Reserves	-167	-5,585	0	0
Sub-total	0	1,697	11,741	18,088
- Savings – 2013/14 shortfall	0	-1,697	-3,239	-4,936
- New Savings	0	0	-8,502	-13,152
Gap	0	0	0	0

2.7 **Service Planning**

- 2.7.1 The timetable for service planning will be different this year. Service plans will be presented in the new year.

3. **CONSULTATION UNDERTAKEN OR PROPOSED**

- 3.1 There will be extensive consultation as the business plan process develops. This will include the Overview and Scrutiny panels and Commission, the Financial Monitoring Task Group, business ratepayers and all other relevant parties.
- 3.2 The Overview and Scrutiny Commission and Panels will be considering the content of this report at the following meetings and will report to Cabinet in December.

O&SC- Financial Monitoring Task group	29 October 2013
Children and Young People	6 November 2013
Sustainable Communities	12 November 2013
Healthier Communities and Older People	13 November 2013
Overview and Scrutiny Commission	26 November 2013

4. **TIMETABLE**

- 4.1 A chart of the budget timetable is attached as Appendix 3.

5. **FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 5.1 All relevant implications have been addressed in the report.

6. **LEGAL AND STATUTORY IMPLICATIONS**

- 6.1 All relevant implications have been addressed in the report.

7. **HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 7.1 Not applicable

8. **CRIME AND DISORDER IMPLICATIONS**

- 8.1 Not applicable

9. **RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

9.1 Not applicable

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

Appendix 1 Proposed Capital Programme 2013-18

Appendix 2 Indicative Capital Programme 2018-23

Appendix 3 Budget Timetable

BACKGROUND PAPERS

Budget files held in the Corporate Services department.

REPORT AUTHOR

Name: Paul Dale

Tel: 020 8545 3458

- email: paul.dale@merton.gov.uk

Proposed Capital Programme 2013-18

Scheme Descriptions	Updated Budget 13/14	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
Community & Housing	2,883,780	971,000	0	550,000	0
Corporate Services	8,209,750	5,329,000	2,084,000	3,162,000	2,806,000
Children, Schools and Families	20,103,510	21,255,110	8,919,930	22,087,000	21,398,780
Environment & Regeneration	14,357,310	12,730,070	21,143,000	6,723,000	4,599,000
Total	45,554,350	40,285,180	32,146,930	32,522,000	28,803,780

Proposed Capital Programme 2013-18

Appendix 1

Community and Housing	Updated Budget 13/14	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
Adult Social Care					
Laptops for Social Care Mngrs	2,100	0	0	0	0
Laptops for Other Staff	80,000	0	0	0	0
CareFirst report Development	14,000	0	0	0	0
Excel Add-Ins	3,000	0	0	0	0
Captive E-Learning CareFirst	9,510	0	0	0	0
Merton Information Portal	118,010	0	0	0	0
Adult Social care Collections	10,000	0	0	0	0
Telehealth	67,520	0	0	0	0
Contingency	0	71,000	0	0	0
Replacement SC System	0	900,000	0	0	0
Total Adult Social Care	304,140	971,000	0	0	0
Housing	0	0	0	0	0
Birches Close	291,640	0	0	0	0
8 Wilton Road	271,000	0	0	0	0
Merton Dementia Hub	497,000	0	0	0	0
Western Road *	1,520,000	0	0	0	0
Total Housing	2,579,640	0	0	0	0
Libraries	0	0	0	0	0
Relocation of Colliers Wood Library	0	0	0	550,000	0
Total Libraries	0	0	0	550,000	0
TOTAL	2,883,780	971,000	0	550,000	0

Proposed Capital Programme 2013-18

Corporate Services	Updated Budget 13/14	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
Corporate Budgets					
Acquisitions Budget	1,000,000	1,000,000	0	500,000	0
Transformation Budgets	690,000	7,000	500,000	0	0
Capital Bidding Fund	0	1,000,000	1,000,000	0	0
Total Corporate Budgets	1,690,000	2,007,000	1,500,000	500,000	0
Business Improvements					
Replace doc management system	0	740,000	0	0	0
Customer Contact Programme	0	785,000	0	0	0
CTTE DECISION MAKING SYSTEM	2,000	0	0	0	0
Total Business Improvements	2,000	1,525,000	0	0	0
Corporate Governance					
Resources					
Capital Reporting Project	0	0	0	0	0
Improving Information Systems	281,700	280,000	0	0	0
Total Resources	281,700	280,000	0	0	0
Information Technology					
Connect to N3 Netwrk NHS Spine	71,760	0	0	0	0
Disaster recovery	137,230	0	0	0	0
Planned Replacement Programme	1,422,030	182,000	299,000	1,412,000	1,686,000
ITSD Enhancements	155,000	35,000	85,000	250,000	120,000
IT Strategy - unallocated	41,500	0	0	0	0
Legal Case Management	226,100	0	0	0	0
Total Information Technology	2,053,620	217,000	384,000	1,662,000	1,806,000
Facilities Management					
Civic Centre refurbishment	110,000	100,000	0	0	0
Gifford House Refurbishment	155,250	0	0	0	0
Energy Utility Invest to Save	100,000	100,000	0	150,000	150,000
Invest to Save schemes-General	500,300	100,000	0	150,000	150,000
Water Safety Works	0	0	0	150,000	150,000
Asbestos Safety Works	0	0	0	250,000	250,000
Pollards Hill RG- Access Works	40,000	0	0	0	0
Capital Works - Facilities	231,720	200,000	200,000	300,000	300,000
Civic Centre Passenger Lifts	0	650,000	0	0	0
Gifford House DDA Works	46,840	0	0	0	0
Security Improvements	340	0	0	0	0
Civic Centre Windows	2,997,960	150,000	0	0	0
Total Facilities Management	4,182,410	1,300,000	200,000	1,000,000	1,000,000
TOTAL	8,209,750	5,329,000	2,084,000	3,162,000	2,806,000

Proposed Capital Programme 2013-18

Children, Schools and Families	Updated Budget 13/14	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
Primary School Expansions					
All Saints/ South Wim YCC exp	169,940	0	0	0	0
Aragon expansion	129,140	0	0	0	0
Benedict expansion	36,670	0	0	0	0
Cranmer expansion	2,955,540	919,420	492,050	0	0
Cricket Grn Exp-Chapel Orchard	39,650	0	0	0	0
Dundonald expansion	200,130	1,728,000	2,740,410	1,117,000	0
Gorringe Park expansion	967,410	150,000	0	0	0
Hillcross School Expansion	2,542,030	1,700,000	250,000	0	0
Hollymount Permanent Expansion	72,340	0	0	0	0
Holy Trinity Expansion	242,490	0	0	0	0
Joseph Hood Permanent Expansn	321,400	0	0	0	0
Liberty expansion	52,540	0	0	0	0
Merton Abbey	1,501,130	2,703,390	200,000	0	0
Pelham School Expansion	1,184,850	3,849,000	226,000	0	0
Poplar Permanent Expansion	1,063,190	3,083,760	953,170	0	0
St Mary's expansion	1,453,370	1,564,840	100,000	0	0
Singlegate expansion	1,670,760	2,750,000	100,000	0	0
William Morris PCP	32,740	0	0	0	0
Wimbledon Chase DCSF grant	78,220	0	0	0	0
Wimbledon Park expansion	2,463,490	170,000	0	0	0
22 FE School Expansion	0	0	95,000	2,575,000	2,075,000
23 FE School Expansion	0	0	0	100,000	555,000
24 FE School Expansion	0	0	0	100,000	1,625,000
25 FE School Expansion	0	0	0	100,000	1,625,000
26 FE School Expansion	0	0	0	0	618,780
27 FE School Expansion	0	0	0	0	300,000
28 FE School Expansion	0	0	0	0	300,000
29 FE School Expansion	0	0	0	0	0
Total Primary School Expansions	17,177,030	18,618,410	5,156,630	3,992,000	7,098,780

Proposed Capital Programme 2013-18

Children, Schools and Families	Updated Budget 13/14	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
Secondary School expansion					
Scheme 1 Phased extra 4FE	0	50,000	150,000	2,800,000	0
Scheme 2 Phased extra 4FE	0	50,000	150,000	2,800,000	0
Scheme 3 Phased extra 4FE	0	50,000	150,000	2,800,000	0
Scheme 4 - New school phased 6-8FE	0	100,000	1,000,000	4,000,000	7,000,000
Scheme 5 Phased extra 2FE	0	0	0	95,000	1,500,000
Scheme 6 Phased extra 2FE	0	25,000	25,000	1,900,000	3,000,000
Scheme 7 - extra 1FE	0			50,000	1,100,000
Scheme 8 - extra 1 FE	0			50,000	1,100,000
Scheme 9 Phased extra 2FE	0	0	0	0	0
Total Secondary School expansion	0	275,000	1,475,000	14,495,000	13,700,000
Other					
Garden PCP	289,320	0	0	0	0
SSPeter & Paul PCP	20,000	0	0	0	0
Devolved Formula Capital	466,310	0	0	0	0
Schools Access Initiative Inc	34,750	0	0	0	0
St Ann's Primary Phase	339,430	0	0	0	0
Breaks-disabled children grant	89,540	0	0	0	0
Total Schs Cap Maint & Accessibility	417,990	500,000	600,000	600,000	600,000
Liberty Primary School	3,910	0	0	0	0
Primary school autism unit	50,000	661,700	238,300	0	0
Perseid	0	800,000	500,000	0	0
Secondary School Autism Unit	0	350,000	850,000	0	0
Cricket Green	0	50,000	100,000	3,000,000	0
Youth&Comm centres reprovion	139,010	0	0	0	0
Total Raynes Park Sports Pavilion	103,420	0	0	0	0
Ursuline School Loan	600,000	0	0	0	0
Schools Equipment Loans	372,800	0	0	0	0
Total Other	2,926,480	2,361,700	2,288,300	3,600,000	600,000
Total	20,103,510	21,255,110	8,919,930	22,087,000	21,398,780

Proposed Capital Programme 2013-18

Appendix 1

Environment and Regeneration	13/14	14/15	15/16	16/17	17/18
Footways Planned Works					
Repairs to Footways	850,000	1,000,000	1,000,000	1,000,000	1,000,000
B569a&b Belgrave Walk fencing	36,090	0	0	0	0
Total Footways Planned Works	886,090	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces					
Beach Volleyball Courts	2,310	0	0	0	0
Play Space Pollards Hill	50,000	0	0	0	0
Parks Investment	242,650	250,000	250,000	425,000	250,000
Raynes Park Cricket Slips	21,350	0	0	0	0
Sherwood Rec - Play Area	25,000	0	0	0	0
King George Rec Play Area	30,000	0	0	0	0
Lewis Road Rec Alt Play Facility	40,000	0	0	0	0
Tamworth Rec Interactive Water Play	80,000	0	0	0	0
Edenvale Open Space Goal Mouth Surfacing	10,000	0	0	0	0
Sir Joseph Hood Crazy Golf	30,000	0	0	0	0
Wimbledon Park Crazy Golf	30,000	0	0	0	0
All Saints Play Area	25,000	0	0	0	0
Nelson Gardens Community Space	25,000	0	0	0	0
Mostyn Gardens Outdoor Gym	30,000	0	0	0	0
WallRep ChrchLn& JohnInnes Pks	4,040	0	0	0	0
B487 Landscape Ravensbury Park	13,410	0	0	0	0
B649 Rvaensbury - Railings and Path	35,000	0	0	0	0
B619 Ravensbury Park entrance	5,000	0	0	0	0
S106 South Park Gardens B346	34,870	0	0	0	0
B488 Landscape Dundonald Rec G	22,000	0	0	0	0
B617a-c Wimbledon Park upgrade	15,030	0	0	0	0
B486 Lndscp Ctnhm Pk Hlnd Gdns	0	0	0	0	0
Repairs to Water Wheel (B531)	2,490	0	0	0	0
B595 Colliers Wd Rec-play area	10,000	0	0	0	0
Rowan Rd Rec (B525)	6,000	0	0	0	0
Joseph Hood Playground (B524)	8,500	0	0	0	0
B621 Joseph Hood Rec	3,000	0	0	0	0
B627a&b Cottnhm Prk-play area	2,960	0	0	0	0
B521 - Morden Park	29,780	0	0	0	0
B596a&b,B625a-c Crckt Grn Area	21,000	0	0	0	0
B626a-c Cottnhm Prk&Hollnd Gdn	28,000	0	0	0	0
Merton & Sutton Cemetery Board	0	0	0	0	0
B651 South Park Gardens Pavil	17,000	0	0	0	0
B647 John Innes Park Improvmnt	2,000	0	0	0	0
B650 Rowan Road Park Improvmnt	3,060	0	0	0	0
Marathon Trust BMX Track	0	0	0	0	0
Total Greenspaces	904,450	250,000	250,000	425,000	250,000

Proposed Capital Programme 2013-18

Appendix 1

Environment and Regeneration	13/14	14/15	15/16	16/17	17/18
Highways General Planned Works					
Surface Water Drainage	62,000	62,000	62,000	69,000	69,000
Highways bridges & structures	260,000	370,000	260,000	0	260,000
Maintain AntiSkid and Coloured	90,000	90,000	90,000	90,000	90,000
B340MOSS rpt (land Rutlish Rd)	0	0	0	0	0
B497/8 Lombard Rd Improvements	24,100	0	0	0	0
River Wandle Footbridge	35,520	0	0	0	0
B453 Haydons Road	0	0	0	0	0
New Traffic Schemes	168,150	0	0	0	0
B638d/e Sustainable Transport	5,500	0	0	0	0
B646a Lombard Industrial Estat	23,970	0	0	0	0
B646b 7 Abbey Road	4,500	0	0	0	0
B639a Fair Green	0	42,600	0	0	0
B642 Streatham Rd	10,800	0	0	0	0
Total Highways General Planned Works	684,540	564,600	412,000	159,000	419,000
Highways Planned Road Works					
Borough Roads Maintenance	1,400,000	1,500,000	1,500,000	1,600,000	1,500,000
Homezones	450,000	0	0	0	0
Total Highways Planned Road Works	1,850,000	1,500,000	1,500,000	1,600,000	1,500,000
Leisure Centres					
Leisure Centre Plant & Machine	300,000	300,000	300,000	300,000	300,000
Morden Park Pool and LC Invest	0	1,000,000	10,000,000	0	0
Total Leisure Centres	300,000	1,300,000	10,300,000	300,000	300,000
Other E&R					
Vestry Hall	30,000	0	0	0	0
Wimbledon Library Flat	95,000	0	0	0	0
Big Lottery Play Areas	27,160	0	0	0	0
Mobile Working Initiative	25,000	0	0	0	0
B502/3 Going for Gold Actn Pln	20,000	0	0	0	0
WCA investment	866,670	0	0	0	0
Wimbledon Park Community Assn	150,000	0	0	0	0
Garth Rd Workshop	128,720	0	0	0	0
Garage for Mayors Car	6,000	0	0	0	0
Total Other	1,348,550	0	0	0	0
On and Off Street Parking					
Review & extension of CPZ W6	15,000	0	0	0	0
Improved parking- shop parades	100,000	0	0	0	0
Total On and Off Street Parking	115,000	0	0	0	0

Proposed Capital Programme 2013-18

Environment and Regeneration	Updated Budget 13/14	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
Regeneration Partnerships					
Industrial Estate Investment	0	250,000	500,000	0	0
Colliers Wd- Regeneration Fund	1,563,000	0	0	0	0
Mitcham - Outer London Fund	315,180	0	0	0	0
Mitcham Major schemes	0	300,000	0	0	0
Restoration of South Park Gdns	129,890	0	0	0	0
Sect106 Bottleneck Skills Grnt	14,070	0	0	0	0
S106 Wim broadwy CA	6,480	0	0	0	0
B611 - Comm Facilities in WTC	30,000	0	0	0	0
Town Centre Investment	50,000	750,000	878,000	1,037,000	0
Mitcham Town Centre Improvements	420,000	0	0	0	0
Colliers Wood Town Centre Improvements	90,000	0	0	0	0
B550 Mitcham means Business	38,900	0	0	0	0
Total Regeneration Partnerships	2,657,520	1,300,000	1,378,000	1,037,000	0
Plans and Projects					
Low Carbon Zone	2,560	0	0	0	0
Climate Change Initiatives	71,530	70,000	0	0	0
Total Plans and Projects	74,090	70,000	0	0	0
Street Lighting					
Street Lighting Replacement Pr	534,580	410,000	200,000	462,000	290,000
Total Street Lighting	534,580	410,000	200,000	462,000	290,000
Street Scene					
Improve markings & road signs	112,290	0	0	0	0
Street scene enhancements	125,000	250,000	250,000	0	0
B591b Shop Front Improvement	42,160	0	0	0	0
Street Tree Programme	65,000	65,000	25,000	100,000	0
Raynes Park Street Scene	2,000	0	0	0	0
Total Street Scene	346,450	315,000	275,000	100,000	0

Proposed Capital Programme 2013-18

Environment and Regeneration	13/14	14/15	15/16	16/17	17/18
Transport for London					
Elec Vehic/Scooter Infrastruct	10,000	0	0	0	0
Strategic corridor Mitcham	260,000	0	0	0	0
Kingston/Hartfield Rd StratCor	260,000	0	0	0	0
Accesibility Programme	160,000	0	0	0	0
Cycle access/parking	250,000	0	0	0	0
Morden Town Centre	65,000	0	0	0	0
Victoria Rd Bus Access Impr	170,000	0	0	0	0
Casualty Reduction & Schools	200,000	0	0	0	0
School & Road Safety Campaigns	170,000	0	0	0	0
Bikeability cycle training Pro	80,000	0	0	0	0
Mobility Scooter Training	10,000	0	0	0	0
Unallocated	0	1,839,000	1,839,000	0	0
TFL Slippage - Corridors&Neigh	224,780	0	0	0	0
TFL Projected Slippage	33,590	0	0	0	0
Biking Borough Project	45,000	0	0	0	0
Biking Borough Programme	22,000	0	0	0	0
Borough Support - Training	6,040	0	0	0	0
Car Clubs Expansion	10,000	0	0	0	0
Car Clubs	10,000	0	0	0	0
Cycle Improvements	100,000	0	0	0	0
Developing the Tram	14,000	0	0	0	0
Willow Lane Industrial Estate	15,000	0	0	0	0
Motorcycles in Bus Lanes	25,000	0	0	0	0
Merton HS Victory to Norman	150,000	0	0	0	0
Central Rd Farm to Green	299,000	0	0	0	0
London Rd Mitcham to Pitcairn	124,000	0	0	0	0
Willow Lane Bridge	15,000	0	0	0	0
Wim TC Accessibility & Streets	30,000	0	0	0	0
Total Transport for London	2,758,410	1,839,000	1,839,000	0	0
Traffic and Parking Management					
B584 Eastfield Area 20mph zone	6,340	0	0	0	0
Minor traffic/danger reduction	0	120,000	120,000	0	0
Traffic surveys & Safety Measu	0	15,000	15,000	0	0
Wimbledon Area Traffic Study	121,000	0	0	0	0
High Path Area(Option 1 + 3)	6,000	0	0	0	0
Parkway Area (20 mph scheme)	2,940	0	0	0	0
Pelham Road Area 20mph scheme	1,010	0	0	0	0
Traffic Schemes	0	0	0	306,000	0
Total Traffic and Parking Management	137,290	135,000	135,000	306,000	0

Proposed Capital Programme 2013-18

Environment and Regeneration	Updated Budget 13/14	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
Transport and Plant					
Replacement of Fleet Vehicles	300,000	500,000	500,000	500,000	500,000
Network Rail	9,400	0	0	0	0
Shared Space	20,000	0	0	0	0
B574 Town Centre Transport Imp	3,330	0	0	0	0
B544 Wimbledon Station Access	14,980	0	0	0	0
B609 Wim Town Centre trans imp	5,000	0	0	0	0
B610 Wim Town Centre trans imp	42,490	0	0	0	0
Transportation Enhancements	0	2,500,000	2,500,000	0	0
Total Transport and Plant	395,200	3,000,000	3,000,000	500,000	500,000
Safer Merton - CCTV & ASB					
CCTV (match funding)	0	170,000	0	0	0
CCTV - Raynes Park	0	2,310	0	0	0
Relocation of cameras 50 & 52	0	8,150	0	0	0
B495a/b/c CCTV Upgrade	0	3,000	0	0	0
Works for Merton Priory Homes	0	9,010	0	0	0
Total Safer Merton - CCTV & ASB	0	192,470	0	0	0
Environmental Health					
Disabled Facilities Grant DCLG	444,000	444,000	444,000	444,000	0
Disabled Facilities Grant LBM	552,810	280,000	280,000	280,000	280,000
Small Repairs Grant	80,000	40,000	40,000	60,000	60,000
Total Environmental Health	1,076,810	764,000	764,000	784,000	340,000
Waste Operations					
Alley Gating Scheme - Fly Tip	50,000	50,000	50,000	50,000	0
Re-use/recycling Site Maintena	40,000	40,000	40,000	0	0
Waste Phase B - Replace RCVs	157,330	0	0	0	0
Kitchen Waste WRAP	15,000	0	0	0	0
Kitchen waste container replce	26,000	0	0	0	0
Total Waste Operations	288,330	90,000	90,000	50,000	0
TOTAL	14,357,310	12,730,070	21,143,000	6,623,000	4,599,000

Indicative Capital Programme 2018-23

Scheme Descriptions	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23
Community & Housing	0	0	0	0	0
Corporate Services	1,785,000	1,500,000	1,760,000	1,645,000	1,645,000
Childrens, Schools and Families	27,578,480	6,250,000	6,600,000	4,758,000	3,920,430
Environment & Regeneration	5,324,000	5,050,000	4,515,000	4,515,000	4,515,000
Total	34,687,480	12,800,000	12,875,000	10,918,000	10,080,430

Indicative Capital Programme 2018-23

Corporate Services	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23
Corporate Budgets					
Total Corporate Budgets	0	0	0	0	0
Business Improvements					
Total Business Improvements	0	0	0	0	0
Corporate Governance					
Total Corporate Governance	0	0	0	0	0
Resources					
Total Resources	0	0	0	0	0
Information Technology					
Planned Replacement Programme	560,000	575,000	860,000	770,000	770,000
ITSD Enhancements	275,000	0	0	0	0
Total Information Technology	835,000	575,000	860,000	770,000	770,000
Facilities Management					
Energy Utility Invest to Save	150,000	150,000	150,000	150,000	150,000
Invest to Save schemes-General	150,000	150,000	150,000	150,000	150,000
Water Safety Works	100,000	75,000	50,000	25,000	25,000
Asbestos Safety Works	250,000	250,000	250,000	250,000	250,000
Capital Works - Facilities	300,000	300,000	300,000	300,000	300,000
Total Facilities Management	950,000	925,000	900,000	875,000	875,000
TOTAL	1,785,000	1,500,000	1,760,000	1,645,000	1,645,000

Indicative Capital Programme 2018-23

Children, Schools and Families	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23
Secondary School expansion					
Scheme 1 Phased extra 4FE	3,677,560	0	0	0	0
Scheme 2 Phased extra 4FE	2,270,120	0	0	0	0
Scheme 3 Phased extra 4FE	1,849,610	0	0	0	0
Scheme 4 - New school phased 6-8FE	2,000,000	0	6,000,000	4,008,000	0
Scheme 5 Phased extra 2FE	4,478,950	0	0	0	0
Scheme 6 Phased extra 2FE	1,527,640	0	0	0	0
Scheme 7 - extra 1FE	2,639,629	0	0	0	0
Scheme 8 - extra 1 FE	1,909,973	0	0	0	0
Scheme 9 Phased extra 2FE	0	0	0	150,000	3,320,430
Total Secondary School expansion	20,353,482	0	6,000,000	4,158,000	3,320,430
Other					
Total Schs Cap Maint & Accessibility	600,000	600,000	600,000	600,000	600,000
Perseid	850,000	850,000	0	0	0
Total Other	1,450,000	1,450,000	600,000	600,000	600,000
Total	27,578,482	6,250,000	6,600,000	4,758,000	3,920,430

Indicative Capital Programme 2018-23

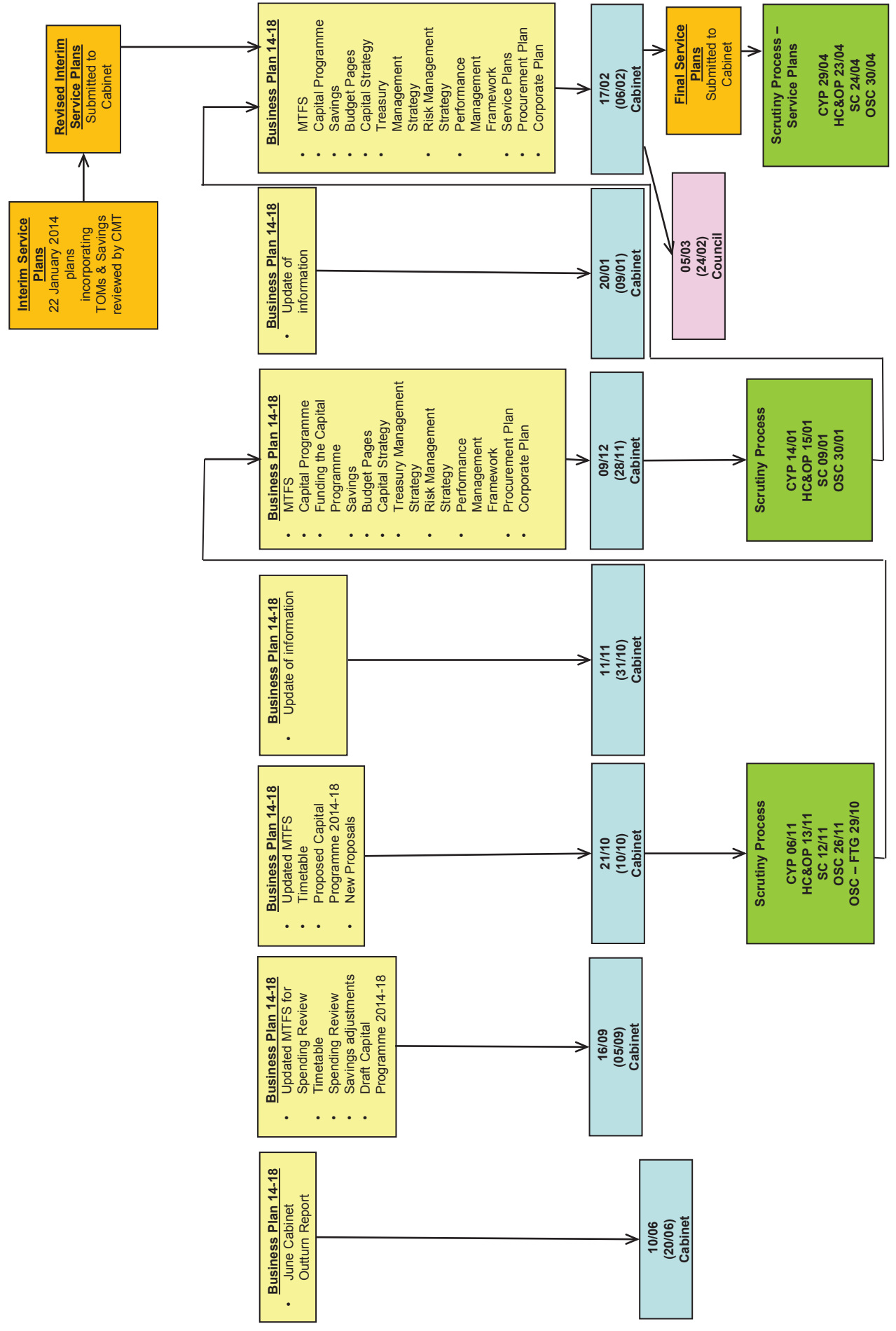
Environment and Regeneration	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23
Footways Planned Works					
Repairs to Footways	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Footways Planned Works	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces					
Parks Investment	350,000	350,000	350,000	350,000	350,000
Total Greenspaces	350,000	350,000	350,000	350,000	350,000
Highways General Planned Works					
Surface Water Drainage	69,000	69,000	69,000	69,000	69,000
Highways bridges & structures	260,000	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	90,000	90,000	90,000	90,000	90,000
Total Highways General Planned Works	419,000	419,000	419,000	419,000	419,000
Highways Planned Road Works					
Borough Roads Maintenance	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Total Highways Planned Road Works	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Leisure Centres					
Leisure Centre Plant & Machine	300,000	0	0	0	0
Total Leisure Centres	300,000	0	0	0	0
Other E&R					
Total Other	0	0	0	0	0
On and Off Street Parking					
Total On and Off Street Parking	0	0	0	0	0
Regeneration Partnerships					
Total Regeneration Partnerships	0	0	0	0	0
Plans and Projects					
Total Plans and Projects	0	0	0	0	0
Street Lighting					
Street Lighting Replacement Pr	509,000	535,000	0	0	0
Total Street Lighting	509,000	535,000	0	0	0
Street Scene					
Total Street Scene	0	0	0	0	0
Transport for London					
Total Transport for London	0	0	0	0	0

Indicative Capital Programme 2018-23

Environment and Regeneration	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23
Traffic and Parking Management					
Traffic Schemes	306,000	306,000	306,000	306,000	306,000
Total Traffic and Parking Management	306,000	306,000	306,000	306,000	306,000
Transport and Plant					
Replacement of Fleet Vehicles	500,000	500,000	500,000	500,000	500,000
Total Transport and Plant	500,000	500,000	500,000	500,000	500,000
Safer Merton - CCTV & ASB					
Total Safer Merton - CCTV & ASB	0	0	0	0	0
Environmental Health					
Disabled Facilities Grant LBM	280,000	280,000	280,000	280,000	280,000
Small Repairs Grant	60,000	60,000	60,000	60,000	60,000
Total Environmental Health	340,000	340,000	340,000	340,000	340,000
Waste Operations					
Total Waste Operations	0	0	0	0	0
TOTAL	5,324,000	5,050,000	4,515,000	4,515,000	4,515,000

Business Planning Timetable - Business Plan 2014-18

Appendix 3



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Financial Monitoring Task Group

Date: 29th October 2013

Subject: Financial Report 2013/14 – September 2013

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That the Financial Task Group discuss and comment on the financial reporting data relating to revenue budgetary control, showing a forecast underspend at year end of £954k (which is 0.58% of the gross Council Budget) after allowing for a £418k transfer to the Capital Programme and consider any relevant action they may wish to take in respect of variations
- B. The Task Group discuss and comment on the four schemes being re-profiled detailed in Appendix 5b and the Current Capital Programme as detailed in Appendix 5a.
- C. The Task Group discuss and comment on current progress to date on savings.
- D. The Task Group discuss and comment on the update to the use of reserves
- E. The Task Group discuss and comment on the update to Customer and Client Receipts
- F. The Task Group discuss and comment on the Cash Flow Statement
- G. The Task Group discuss and comment on the Key Strategic Risk Register as at September 2013 and Cabinet approve the removal of the following four items:
 - KSR 51 – Supply Chain Failure - One of Merton's key delivery partners or sponsor goes in to administration – Risk Ranked as 2
 - KSR 52 - Data quality of management information - Failure to provide accurate performance data – Risk Ranked as 2
 - KSR 57 - Agency staff - Use of agency staff following changes to employment rights – Risk Ranked as 2
 - KSR 59 - Business rates - Localism agenda - review of business rates Inc. discretionary reliefs – Risk Ranked as 2

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the regular financial monitoring report for 2013/14 presented to the Financial Monitoring Task Group in line with the financial reporting timetable. It is based on expenditure and income as at the half year to 30th September 2013.

This financial monitoring report provides:-

- The latest budgetary control information on revenue expenditure and income, forecasting a year end underspend of £0.954m (£1.07.m underspend reported last month);
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2013/14;
- Progress on the delivery of the 2013/14 revenue savings
- An update on the use of reserves
- An update on customer and client receipts
- The key strategic risk register as at September 2013

2. 2013/14 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

2.1 **Executive summary** - As at September, the forecast is expected to be a net £0.954m underspend compared to the current budget.

Summary Position as at 30th September 2013

	Current Budget 2013/14 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug.) £000s
Department				
3A. Corporate Services	11,942	10,883	(1,059)	(670)
3B. Children, Schools and Families	50,880	51,853	972	602
3C. Community and Housing	63,568	63,711	142	(385)
3D. Public Health	0	(42)	(42)	(52)
3E. Environment & Regeneration	26,072	25,917	(155)	248
NET SERVICE EXPENDITURE	152,463	152,322	(140)	(257)
3E. Corporate Items				
Impact of Capital on revenue budget	13,878	13,878	0	0
Central budgets	(2,993)	(3,807)	(814)	(814)
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,799	10,985	(814)	(814)
TOTAL GENERAL FUND	164,262	163,307	(954)	(1,071)
FUNDING				
Revenue Support Grant	(47,221)	(47,221)	0	0
Business Rates	(32,020)	(32,020)	0	0
Other Grants	(8,356)	(8,356)	0	0
Council Tax and Collection Fund	(76,664)	(76,664)	0	0
FUNDING	(164,262)	(164,261)	0	0

A detailed table is provided as Appendix 1.

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

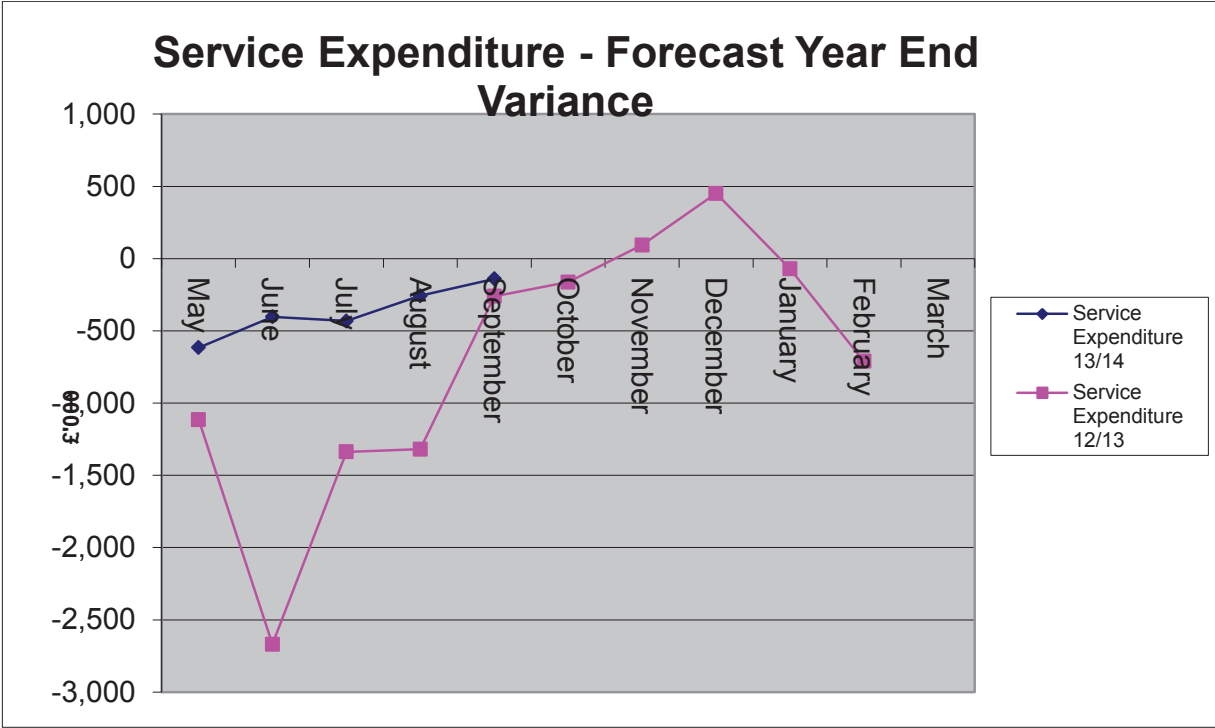
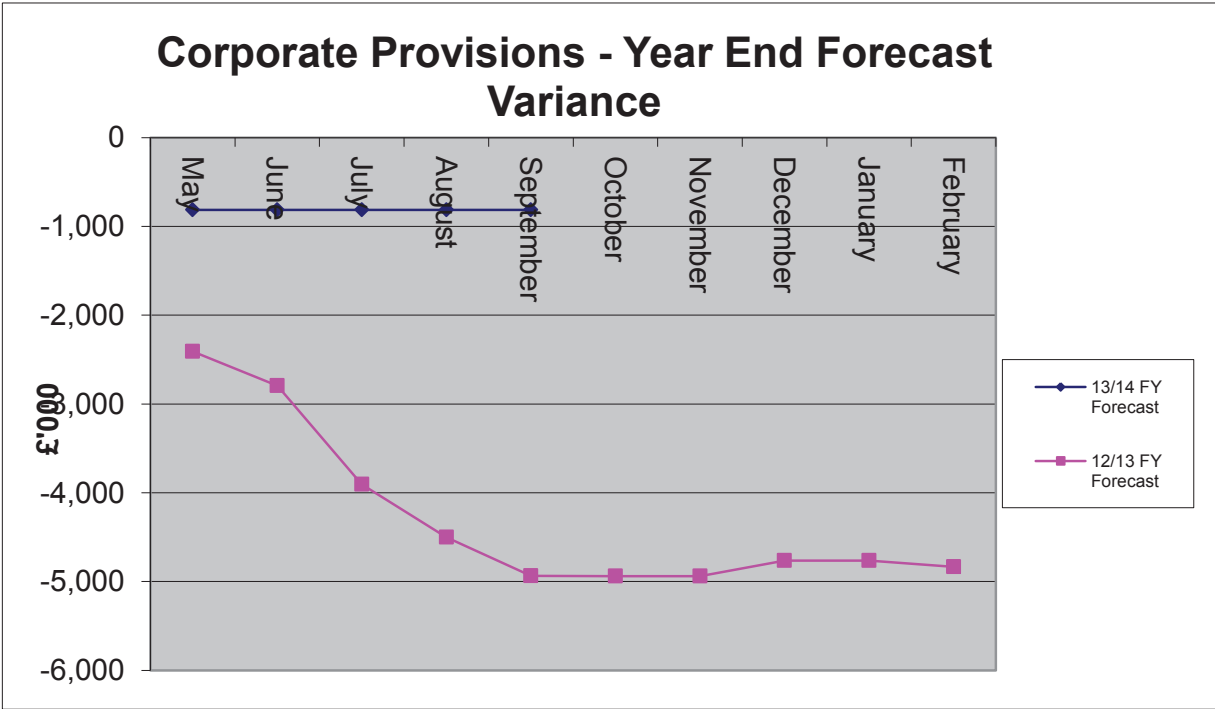


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2012/13.



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

	Current Budget 2013/14	Full Year Forecast (Sep)	Forecast Variance at year end (Sep)
Expenditure	£000	£000	£000
Employees	90,894	91,767	873
Premises Related Expenditure	9,709	9,061	(648)
Transport Related Expenditure	13,171	12,495	(676)
Supplies and Services	161,751	162,112	361
Third Party Payments	87,650	87,080	(570)
Transfer Payments	95,946	108,568	12,622
Support Services	32,417	32,417	(0)
Depreciation and Impairment Losses	13,783	13,783	0
Corporate Provisions	11,799	10,985	(814)
GROSS EXPENDITURE	517,119	528,267	11,148
Income			
Government Grants	(242,551)	(255,342)	(12,791)
Other Grants, Reimbursements and Contribs	(18,584)	(18,822)	(238)
Customer and Client Receipts	(53,654)	(52,749)	905
Interest	(44)	(24)	20
Recharges	(34,296)	(34,295)	1
Balances	(3,729)	(3,729)	0
GROSS INCOME	(352,857)	(364,960)	(12,103)
NET EXPENDITURE	164,262	163,307	(954)

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

i) Corporate Services Department

	2013/14 Current Budget	Full year Forecast September	Forecast variance at year end (Sept)	Forecast variance at year end (Aug)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Business Improvement	2,249	2,222	(27)	(18)	4
Infrastructure & Transactions	8,961	8,747	(214)	(189)	20
Resources	7,511	7,316	(196)	(96)	(141)
Human Resources	2,175	2,247	72	82	253
Corporate Governance	4,513	4,417	(96)	(95)	(195)
Customer Services	2,302	1,662	(639)	(404)	460
Corporate Items including redundancy costs	1,326	1,367	41	50	(9)
Total (controllable)	29,036	27,977	(1,059)	(670)	393

Overview

At period 6 (September) the Corporate Services department is forecasting an underspend of £1,059k.

The main variances are summarised in the table below.

<u>13/14</u>	<u>Budget</u> <u>£000</u>	<u>Sept</u> <u>forecast</u> <u>variance</u> <u>£000</u>	<u>13/14</u> <u>Savings</u> <u>£000</u>
<u>Human Resources</u>			
School's SLA	(376)	42	
Other costs	2,202	30	
Total Human Resources	2,175	72	
<u>Resources</u>			
Audit Fee	422	(172)	
Other costs	7,077	(24)	
Total Resources	7,511	(196)	
<u>Customer Services</u>			
Corporate Communications Income	(203)	155	
Shared Bailiff's service with LB Sutton	(150)	115	£150k income target
Local welfare support programme funding	(367)	(295)	
CHAS	0	(232)	
Other costs	3,022	(382)	
Total Customer Services	2,302	(639)	

Human Resources (HR) – forecast overspend £72k

The Schools payroll SLA is forecast to underachieve the income target by £42k. The competition from external payroll providers puts this income budget under pressure for future years.

Customer Services – forecast underspend £639k

The Local Welfare Support discretionary scheme was set up in response to localise the Department of Works and Pensions, Social Fund. The authority has been allocated £367k of programme funding in the current year. The number of claims to date is significantly lower than anticipated and this is similar across London. Based on year to date claims this budget is expected to underspend by £295k, but the scheme is being kept under review.

There is a forecast underspend of £170k due to vacant posts within the division.

The Merton and Sutton shared bailiff service is forecasting an underachievement of income of £115k. The level of enforcement costs (non-statutory) that the Merton bailiff team charges have been reduced following a complaint made to the Local Government Ombudsman and the recommendations received from that investigation. These changes have impacted on the level of costs charged by the Merton bailiff team and subsequently the shared service

The Contractors Health and Safety Assessment Scheme (CHAS) commenced trading as CHAS 2013 Limited t/a CHAS on 3rd June 2013. CHAS has been removed from the Customer services budget to reflect the company trading as a limited company. The surplus generated up to the commencement of trading of £232k remains in Customer services.

Resources – forecast underspend £196k

The audit fee saving for future years has been captured early in the current year.

Infrastructure and Transactions – forecast underspend £214k

This underspend is mainly due to the renegotiation of contracts and Facilities management forecasting an overachievement of trading income.

Management Action

Finance staff continue to work closely with budget managers to make forecasting more robust and accurate.

3B. Children Schools and Families

Children, Schools and Families	2013/14 Current Budget £000	Full year Forecast (Sep) £000	Forecast Variance at year end (Sep) £000	Forecast Variance at year end (Aug) £000	2012/13 Variance at year end £000
Commissioning, Strategy and Performance	9,368	9,943	575	415	548
Education	15,995	16,544	549	262	144
Social Care and Youth Inclusion	11,748	11,600	(148)	(71)	(521)
PFI	7,070	7,066	(4)	(4)	68
Redundancy costs	2,042	2,042	0	0	(51)
Total (controllable)	46,223	47,195	972	602	188

Overview

At the end of period 6 (September) Children Schools and Families is forecasting a net overspend of £972k on local authority funded services

Local Authority Funded Services

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

Description	Budget £000	Sept £000	Aug £000
Independent fostering and residential placements (ART)	4,926	473	346
Legal fees	519	49	49
Other small over and underspends	3,923	53	20
Subtotal Commissioning, Strategy and Performance	9,368	575	415
Children with Disabilities staff cover	409	172	121
Children with Disabilities personal support	148	233	102
Early Years	548	(39)	(75)
Statement support team staff cover	337	52	89
SEN Transport	2,912	113	0
Other small over and underspends	11,912	18	25
Subtotal Education	16,266	549	262
Central Social Work	876	87	133
CAMHS	290	(118)	0
Family support	444	(118)	(118)
Section 17	159	142	0
Recruitment	121	(80)	0
Serious case reviews	75	(75)	(75)
Other small over and underspends	9,783	14	(11)
Subtotal Children's Social Care and Youth Inclusion	11,748	(148)	(71)
Subtotal PFI	7,070	(4)	(4)
Subtotal Redundancy cost	2,042	0	0
Grand total Children, Schools and Families	46,057	972	602

Commissioning, Strategy and Performance Division

- Pressure on fostering and residential placement costs continues due to a combination of increased number of children looked after and complex placement needs. The estimated £473k overspend position includes on-going pressures in independent agency fostering, in-house fostering budgets, the cost of remand which now fall to the Council and residential placement budgets. There have been a number of court required placements in mother and baby units which the council has had to comply with.
- The legal budget is expected to overspend by £49k due to additional support required from legal services, including specialist commissioned legal support not available within the council.
- There are various other small over and underspends predicted across the division netting to a £53k overspend. This, combine with the items described above, equals the reported divisional overspend forecast of £575k.

Education Division

- Due to staff changes and the need to enhance social worker management capacity in the Children with Disability section, agency cover was recruited (3 social workers and 2 manager's). A net overspend of £172k is expected. Recruitment of permanent post holders is on-going.
- The Children with Disability section is also forecasting a £233k overspend on their personal support budgets due to increased numbers of clients reflecting rising numbers of children with complex needs being supported in this way. These payments often prevent higher cost interventions being required, e.g. residential out of borough care placements.
- The Early Years section is expected to underspend by £39k due to vacancies held in their provider support and workforce development services.
- The statement support team salary budget is estimated to overspend by £52k due to agency staff covering permanent vacancies.
- SEN and FE transport cost are expected to overspend by £113k due to the increased number of service users. Work continues to ensure the most cost effective routing for individual young people.
- There are various other small over and underspends predicted across the division netting to a £18k overspend. This, combine with the items described above, equals the reported divisional overspend forecast of £549k.

Children's Social Care and Youth Inclusion

- Due to agency cover and other staff cost pressures, the Children's Central Social Work Service is expecting to overspend by £87k.
- The Children and Adolescent Mental Health Service (CAMHS) is expecting to underspend by £118k due to vacancies.
- Due to staff vacancies, the Family Support service is forecasting a £118k underspend for the year.
- The Section 17 and "no recourse to public funds" (NRTPF) budgets are forecast to overspend by £142k for the current financial year. The council has to respond to recent case law regarding housing families with no recourse to public funds (Zambrano & Clue cases). The family's presenting needs are housing.
- Recruitment cost is expected to underspend by £80k.
- The serious case review budget is expected to underspend by £75k because there has been no further need to commission reviews during the current financial year.
- There are various other small over and underspends predicted across the division netting to a £14k overspend. This, combine with the items described above, equals the reported divisional underspend forecast of (£148k).

- There is one particular new client with full year costs of over £400,000 that has increased the overspend. The approx. split of the costs are - £250k children with disability personal support, £120k SEN Transport and the balance within DSG education. This prompts the need for a discussion of options around delivering the highest cost cases including appropriate funds for health via the CCG.

Dedicated Schools Grant

DSG funded services are expected to underspend but these budgets are not within the council's general fund and such underspends cannot be offset against overspends on local authority funded budgets. Any underspend at year-end will be added to the DSG reserve and applied as agreed by the Schools Forum.

Based on current client costs, the independent residential SEN placements are expected to underspend. The current client costs do however not build in any contingencies for new assessments during the year or new starters from September. This assessment does include the impact of leavers. As in previous years, more work will be done to forecast this demand and quantify the resulting cost which will show the overall expected underspend in readiness for the October monitoring.

Due to changes introduced by central government, Merton is responsible for funding post 16 pupils with Special Education Needs attending FE colleges and Independent Specialist Providers from September 2013. The funding received from the Education Funding Agency to meet the cost of committed placements is not sufficient. Officers are currently working on putting procedures in place to pay these providers and will report on cost pressures later in the financial year.

Management Action

Managers across CSF are working to reduce spend where possible to address cost pressures that arise throughout the year. The Director and AD CSC&YI have reviewed all LAC placements to ensure the council's threshold for care is being met consistently. There is a continued rise in older children 15+ becoming LAC including an increase in Unaccompanied Asylum Seekers (who are allocated to London boroughs), young people who are homeless and an increase in children with disabilities who trigger LAC status due to the length of placements.

At the other end of the spectrum we have had an unusual number of relinquished babies to accommodate.

Safer Schools Police Officers virement

The Council is entering into an agreement with the Mayor of London for the provision of Safer Schools Police Officers for Secondary Schools in Merton at a cost of £200,000 in total for the Academic years 2013-14 and 2014-15. Through this route LA's are able to purchase officers at a reduced cost. Schools will be invoiced annually for the cost incurred. . CMT / Cabinet are asked to approve the virement of £100,000 per year to fund the Safer Schools Police Officers.

c) Community and Housing

As at the end of period 6 (Sep), C&H is forecast to over-spend by £146k

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Community and Housing	2013/14 Current Budget	Full Year Forecast (Sep)	Forecast Variance (Sep)	Forecast Variance (Aug)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Access and Assessment	43,493	43,364	(129)	(361)	(1,380)
Commissioning	5,089	5,278	189	(173)	(324)
Direct Provision	4,772	4,888	116	224	48
Directorate	889	900	11	(7)	81
Adult Social Care	54,243	54,430	187	(317)	(1,575)
Libraries and Heritage	2,511	2,503	(8)	5	4
Merton Adult Education	(103)	17	120	0	(3)
Housing General Fund	1,737	1,584	(153)	(73)	(230)
Total (controllable)	58,388	58,534	146	(385)	(1,804)

Access and Assessment - £129k under-spend

Access and Assessment	Forecast Variance
	£000
Miles Re-ablement	(295)
Other A&A underspend	(312)
Gross Placements overspend	2,141
Sub-total Net over-spend	1,534
Net over-achievement of Income	
Over achievement of Client Contribution	(100)
Over achievement of CCG Contribution	(886)
NHS Social Care Transfer Income	(677)
Sub-Total over-achievement of Income	(1,663)
Total A&A Forecast under-spend	(129)

Commissioning - £189k over-spend

Employee under-spend in the commissioning teams £192k

Supporting People Grant £114k overspend and Voluntary organisations contracts £33k underspend. £300k additional Transition funding approved to voluntary organisations is included in the forecast.

Direct Provision £116k overspend

Mainly arises due to increase in staff levels recruited above budget. Clients are not being promptly be financially assessed due to delays in agreeing support hours for each client with the Access & Assessment team, It is estimated that £70k of client contribution will be invoiced and this is included

in the figures above. In addition delays in Assessing client contributions will result in clients receiving large bills to clear the arrears.

Decision is yet to be made to either back-date charges to April 2013 or continue from the date when the client is assessed. Carers will be notified as soon as decision is made.

The staffing budget is overspent due to the department not identifying funding to cover moving the service from a 22 bedded residential unit to a service that provides for over 30 service user, at various sites rather than the previous one and two of these sites to provide 24 hour staffing cover.

Zero based budgets have been produced for the service to identify staffing levels now required at all the Supported Living sites. There is an urgent need to agree with Access and Assessment how this is to be funded. The funding needs to be put in place by the end of period 8 to ensure that it is reflected in the 2014/15 base budget . The placements budget will be reduced .

There is also loss of client contribution income for a client

Libraries – £8k underspend.

£8k underspend predicted. Underachievement in income is being covered through underspends on staffing and stock

MAE is forecast to over-spend by £120k

Due to loss of fee income as a result of the implementation of the student 24+ loan application for the Level 3 & 4 courses .

Under achieving against the 2013/14 savings due to delayed implementation of the new commercial structure.

An action plan is required for the next monitoring report to identify how these issues are to be dealt with in the current year and to ensure that they are fully eliminated for the 2014/15 budget

Housing is forecast to under-spend by £153k

In previous months Housing has been forecasting a low underspend that is consistent with previous years. The reported underspend has more than doubled from £73,000 to £153,000 since last month which is much closer to the historic position.

The Temporary accommodation budget is forecast to under-spend by £81k ,
Housing needs and supply and development is forecast to under-spend by £120k
Housing advice and options staff -£54k overspend.

Placements

The total gross placement budget for 2013-14 is £37.478m; this includes £1m net growth allocated in setting the budget and savings of £2.282m.

The Gross placements budget is forecast to over-spend by £2.141m.

The impact of the savings on the budget position for 2013-14 and future years are being monitored closely. There is a potential risk that £872k savings proposals relating to placements may not be achieved. Alternative proposals are being considered.

The table below identifies the movement in care package numbers:

	No of Care Packages as at October 2012 (budget setting)	No of Care Packages as at Sep 2013	Increase/ (decrease) since Budget Setting	Total Yearly Commitment @ Sep 13 £000
Activity Data – Care Package Numbers				
Service Area				
Mental Health	175	160	(15)	£1,660
Physical and Sensory	275	287	12	£3,941
Learning Disabilities	375	366	(9)	£12,536
Older People	1,634	1,626	(8)	£20,502
Substance Misuse	10	7	(3)	£204
No recourse to public funds	21	13	(8)	£183
Other Placement Expenditure				593
TOTAL Gross placement expenditure	2,490	2,459	(31)	£39,619

Income

The income budget has been increased by £800k to balance the 2013/14 budget and correct historic under provision in this area.

The current net estimated over-achievement of Income is £986k.

The monitoring of income is a key budget area where enhancement of the monitoring is being further developed

It is problematic for the department to forecast gross expenditure accurately as cases are not being closed down on CareFirst leading to an overestimate of spending. Income is receivable is similarly understated on the system as financial assessments are not being carried out on time. Estimated adjustments have been made to the figures above but the backlogs need to be cleared ASAP to give more accurate data.

The coding of income on the Carefirst system is being reviewed as it appears that contribution collected by providers is sometimes coded to CCG contribution .

Public Health

The allocation of the Public Health budget are detailed below

Description	2013/14 Current budget £000	Full Year Forecast (Sept) £000	Forecast Variance (Sept) £000	Forecast Variance (Aug) £000
PH - Directorate	626	568	(58)	(63)
PH- Contraception*	582	590	8	24
PH - STI Testing and Treatment (GUM)*	2,025	2,025	0	(4)
PH - SH Advice, Prevent and Promotion*	334	317	(17)	(9)
PH - NHS Health check*	226	226	0	0
PH - Falls Prevention	64	56	(8)	0
PH - Obesity	339	372	33	0
PH - Community Development and Health Course	6	6	0	0
PH – Livewell (including smoking cessation)	346	346	0	0
PH - Health Promotion Resources	16	16	0	0
PH - Substance Misuse (drugs and alcohol)	2,086	2,086	0	0
PH - School Nursing (including National Child Measurement programme)*	611	611	0	0
PH - Surveillance and Control of Infectious Diseases	63	63	0	0
PH - Community Services Contract Estates	186	365	179	179
PH - New Investments	1,378	1,199	(179)	(179)
Total (Controllable)	8,888	8,848	(42)	

The Public Health service faces the following financial risks: the Community Services Contract (which includes an element for estates) regarding which discussions are underway with the CCG; and uncertainty around funding of the NHS.

Potential new investments are subject to assessments for value for money.

Attached figures and proposals are indicative only.

Public Health Potential Investments	£000
Children's Centres	45
Healthy Schools	45
Young People Drugs & Alcohol	83
Mental Health	50
ESOL	50
Outreach for Livewell	95
Weight management Tier 2	165
Settings – workplaces and housing estates	300
Staff (including health impact assessment)	300
Health Catering	60
GUM Contingency	100
Total PH Investments	1,343

(D). Environment & Regeneration

Environment & Regeneration	2013/14 Current Budget £000	Full year Forecast (Sept) £000	Forecast Variance at year end (Sept) £000	Forecast Variance at year end (August) £000	2012/13 Variance at year end £000
Public Protection & Development	(6,662)	(6,311)	351	270	229
Sustainable Communities	1,997	1,955	(42)	(57)	(190)
Traffic & Highways	8,347	8,506	158	518	728
Waste Services	16,651	15,992	(659)	(606)	(651)
Safer Merton	978	957	(22)	0	(77)
Other	(523)	(464)	58	123	(76)
Total (Controllable)	20,790	20,635	(155)	248	(37)

Description	2013/14 Current Budget £000	Forecast Variance at year end (Sept) £000	Forecast Variance at year end (August) £000
Shortfall in Building & Development Control (B&DC) income	(1,816)	206	218
General Supplies & Services underspend within B&DC	232	(53)	(65)
Employee underspend within Parking Services	2,404	(71)	(74)
Underachievement of Customer & Client Receipts in Parking Services	(11,775)	366	233
Employee overspend within EHTS&L	1,515	78	76
Other	2,595	(175)	(118)
Total for Public Protection & Development	(6,845)	351	270
Employee overspend within Greenspaces	2,263	105	89
Underachievement of Customer & Client Receipts in Greenspaces	(2,273)	162	156
General Supplies & Services underspend within Greenspaces	537	(38)	(54)
Premises related underspend within Property Management	407	(72)	(68)
Overachievement of property rental income	(4,046)	(38)	(32)
Employee overspend within FutureMerton	1,098	87	79
Employee underspend within Senior Mgmt & Support	766	(33)	(42)
Other	3,245	(215)	(269)
Total for Sustainable Communities	1,997	(42)	(57)
Employee overspend within Waste Services	7,337	723	673
Reduced SLWP related costs	8,520	(1,338)	(1,346)
Transport related underspend within Waste Services	2,004	(248)	(157)
Shortfall in Waste Services income – principally Commercial Waste	(2,527)	304	310
Reduction in ability to Capitalise expenditure	(691)	449	449
Overspend on highways maintenance contract reactive works	640	200	200
Underachievement of Customer & Client Receipts in Traffic & Highways	(1,444)	75	111
Transport Services	(542)	59	124
Other	10,950	(666)	(329)
Total for Street Scene & Waste	24,233	(442)	35
Employee related underspend	970	(51)	(69)
Other	8	49	69
Total for Safer Merton	978	(22)	(1)
Total Excluding Overheads	20,790	(155)	248

Overview

The department is currently forecasting an underspend of £155k at year end

The three main areas of variance are Traffic & Highways, Parking Services and Building & Development Control that are forecasting overspends whilst Waste Services is forecasting an underspend.

Pressures

Public Protection & Development

Building & Development Control

The section is currently forecasting an overspend of £118k due to the recent and further anticipated changes in permitted development rights. This will impact on the section's fee income, as well as potentially the New Homes Bonus and S106 contributions for affordable housing received by the Council. Work is currently being undertaken to assess the extent of the impact on income arising from the permitted development changes and to explore ways to counter this shortfall. However, it is important to note that a 'bedding-in' period of 3-4 months is necessary before we can properly assess trends and impact on income. Similarly, the section's building control market share is subject to further analysis involving the development of a commercialisation strategy designed to increase market share and, by association, income levels.

Parking Services

The section is currently forecasting an overspend of £256k mainly as a result of PCN income being lower than estimated, which is being partially offset by an employee underspend. In addition, due to the implementation timing of the proposed new CPZ's, the associated income of £250k will not be fully achieved in the current year (Cabinet virement of 16th September 2013).

Sustainable Communities

Greenspaces

An overspend of £110k is being forecast, mainly due to a shortfall in internment income of £82k based on current estimates, and an employee overspend of £105k due to a combination of staffing the authority's paddling pools, ad hoc overtime incurred to maintain service standards, and overtime in relation to litter picking within the borough's parks.

Street Scene & Waste

Traffic & Highways

The section is forecasting an overspend of £158k, a reduction of £360k from the previous month's forecast overspend of £518k.

The main reasons are:

- 1) A one-off income (approx. £140k) made up of £20k expected from the WiFi project and £120k rebate due to overpayments on energy.
- 2) A £180k reduction in spend on works to part contain the overspend.
- 3) An increase in expected income of £40k from Street Works charges and highway licencing.

Waste Services

The section is currently forecasting an underspend of £659k, which is mainly due to renegotiating the SLWP contract costs, and a reduction in the volume of residual waste being taken to landfill.

However, there are a few notable pressures. The first notable pressure relates to Commercial Waste, which is forecasting an income shortfall of around £411k. This compares to a shortfall of £245k in 2012/13. However, an agreed saving of £150k has been implemented for 2013/14. A review of the commercial waste business has been carried out and an action plan is being delivered to address issues around future growth of the business together with improved efficiencies and cost control. A proper trading account for this service is required as part of the 2014/15 budget.

In addition, the section is currently projecting an employee related over spend. This is as a result of a combination of issues, including contractual and non-contractual overtime, and agency cover for sick leave absences. Action is being taken in order to reduce this overspend, including an ongoing action plan successfully reducing the level of sick leave absence, and not covering absences with agency staff where this does not impact on service delivery.

Contractual issues at the re-use and recycling centre, where the previous contractor departed at short notice, may affect this forecast, but work to remedy this is continuing.

Transport Services

The section is forecasting an overspend of £59k, a reduction of £65k from the previous month's forecast overspend of £124k. A review of the section's budgets, cost model, and pricing mechanism is currently taking place, which may have an impact on service departments in Community and Housing and Children, Schools and Families.

Management Action

Work is currently underway regarding the 2012/13 outturn variances in order to ascertain the extent to which they continue in this financial year.

All managers are aware of the need to contain expenditure and maximise income wherever possible. Corporate guidance regarding the filling of vacant posts is strictly adhered to.

(E) **Corporate Items**

The details comparing actual expenditure up to 30 September 2013 against budget are contained in Appendix 2. The main areas of variance as at 30 September 2013 are:-

Corporate Items	Current Budget 2013/14 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug.) £000s
Cost of borrowing	14,261	14,097	-164	-45
Investment Income	-383	-637	-254	-254
Use for Capital Programme	0	418	418	299
Impact of Capital on revenue budget	13,878	13,878	0	0
Pension Fund	5,087	5,087	0	0
Pay and Price Inflation	1,548	1,234	-314	-314
Contingencies and provisions	4,064	3,564	-500	-500
Depreciation and Impairment	-13,692	-13,692	0	0
Income Items	0	0	0	0
Central Items	10,885	10,071	-814	-814
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,799	10,985	-814	-814

The only change in September from the position reported in August is to the capital financing costs of the capital programme. The net reduction of £119,000 will be used for future investment in the capital programme.

There have been no other significant changes in September from the position reported in August.

4. CAPITAL PROGRAMME 2013-17

4.1 Capital Expenditure

4.1.1 Over the past two financial years considerable work has been undertaken to reduce the Capital Programme to levels that can be delivered with our current staffing complement. Historically this has been shown to be around £40 million per annum. In September 2013, the budgeted capital programme is almost £46 million.

Comparison of Spend to September between 2012/13 and 2013/14

Department	Spend To September 2011	Spend To September 2012	Spend To September 2013	Variance 2011 to 2013	Variance 2012 to 2013
Community and Housing	487	365	786	299	421
Corporate Services	2,132	1,069	1,372	(760)	303
Children Schools and Families	8,863	16,318	4,724	(4,139)	(11,594)
Environment and Regeneration	9,065	4,115	4,140	(4,925)	25
Total Capital	20,547	21,867	11,022	(9,525)	(10,845)

Outturn £000s	42,300	40,487	
Budget £000s			44,538
Projected Spend August 2013 £000s			37,051
Percentage Spend to Budget			24.75%
Percentage Spend to Outturn/Projection	48.57%	54.01%	29.75%

4.1.3 September is half way through the financial year and departments have only spent 24.8% of their budget compared to approximately 50% in previous financial years. To achieve a projected spend of £37 million officers will need to spend over £4 million per month over each of the next 6 months. The table below shows that in September 2013 they managed to spend just over £2 million.

Department	Spend To August 2013	Spend To September 2013	Variance
Community and Housing	784,953	785,709	756
Corporate Services	1,048,937	1,372,220	323,283
Children Schools and Families	2,851,302	4,724,006	1,872,704
Environment and Regeneration	3,396,062	4,140,495	744,433
Total Capital	8,081,254	11,022,430	2,941,176

4.2 Capital Programme 2013/14

4.2.1 The Table below shows the movement in the Capital Programme since the August 2013 Monitoring Report:

Department	August Cabinet	Increase/ (Decrease)	Total Budget
Community and Housing	2,883,780	(779,850)	2,103,930
Corporate Services	8,209,750	(236,720)	7,973,030
Children Schools and Families	20,103,510	0	20,103,510
Environment and Regeneration	14,357,310	0	14,357,310
Total Capital	45,554,350	(1,016,570)	44,537,780

- (a) Corporate Services – This is due to the re-profiling of £236,700 into 2014/15 of the improving financial information systems budget.
- (a) Community and Housing – this change is due to three adjustments:
- (i) Western Road Housing Scheme £760,000 has been re-profiled into 2014/15.
 - (ii) Captive e-learning £5,850 re-profiled into 2014/15, and
 - (iii) CareFirst Report Development £14,000 re-profiled into 2014/15.

4.2.2 The Table below shows the movement in the 2013/14 corporate capital programme since its approval at March 2013 Council:

Dept.	Approved Cabinet March 2013	Slippage from 2012/13	Re-profiling	Revenuisation / Relinquished	Clawed Back for Overspend 2012/13	Additional External Funding	New Internally Funded	Schools Contributions	August 2013 Cabinet Report	Increase / (Decrease)	Sept. Monitoring Report
C&H	1,535	303	(971)		0	2,017	0		2,884	(780)	2,104
CS	7,252	186	280	0	0		491		8,209	(237)	7,972
CSF	28,428	2,836	(10,853)	(718)	(175)	362	0	224	20,104	0	20,104
E&R	12,860	1,685	(1,055)	(124)	(361)	1,056	297		14,358	0	14,358
Total	50,075	5,010	(12,599)	(842)	(536)	3,435	788	224	45,555	(1,017)	44,538

4.2.2 The table below summarises the position in respect of the Capital Programme as at September 2013 the detail is shown in Appendix 5a:

Merton - September 2013 - Summary Departmental Capital Monitoring Information

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance	%
Community and Housing	2,103,930	785,709	1,101,530	(315,821)	1,714,923	(389,007)	(18.5)
Corporate Services	7,973,030	1,372,220	2,963,048	(1,590,828)	6,311,025	(1,662,005)	(20.8)
Children Schools and Families	20,103,510	4,724,006	7,358,032	(2,634,026)	16,486,898	(3,616,612)	(18.0)
Environment and Regeneration	14,357,310	4,140,495	5,621,907	(1,481,412)	12,537,839	(1,819,471)	(12.7)
Total Capital	44,537,780	11,022,430	17,044,517	(6,022,087)	37,050,685	(7,487,095)	(17.6)

- a) Community and Housing's the main cause is 8 Wilton Road showing a £271k underspend against budget.
- b) Corporate Services – there are two major projected variances in this department:
 a. The Acquisitions Budget £970k projected underspend, and
 b. IT Transformation £690k underspend.
- c) Children, Schools and Families – Nearly ninety per cent of the programme is for major school expansion projects, with the majority of the spend being on seven projects approved to contract by Cabinet on 1 July, and all of which started enabling and most disruptive works over the summer period to ensure sufficient classrooms for September. Partly due to extra time required to negotiate final contract sums within the available capital programme, the programmes on some of the schemes have changed resulting in less spending in 2013/14 and more in 2014/15 and a full appraisal of the current position and achievement of value for money is underway to ensure sufficient classrooms will be available in September 2014.
- d) Regeneration Partnerships – The main cause of this projected underspend is Colliers Wood Regeneration Fund (£1,563k), this scheme will be re-profiled into 2014/15 when signed confirmation is received from central government.

4.3 Capital Programme 2013/17

4.3.1 The table below summarises all the adjustments being made to the capital programme 2013-17 since the October 2013 Cabinet. These amendments are detailed in Appendix 5b, Appendix 5c details the impact on the funding of the Capital Programme for 2013-14:

Impact of Re-Profiling and Virements on the Capital Programme 2013-17

Dept	March Budget 2013/14	Changes	Revised Budget 2013/14	Original Budget 2014/15	Changes	Starting Budget 2014/15	Original Budget 2015/16	Changes	Revised Budget 2015/16	Original Budget 2016/17	Changes	Revised Budget 2016/17
	(1)	(2)	(1+2)= (3)	(4)	(5)	(4+5)= (6)	(7)	(8)	(7+8)= (9)	(10)	(11)	(10+11)= (12)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
C&H	2,884	(780)	2,104	971	780	1,751	0	0	0	550	0	550
CS	8,210	(237)	7,973	5,329	237	5,566	2,084	0	2,084	3,162	0	3,162
CSF	20,104	0	20,104	21,255	0	21,255	8,920	0	8,920	22,087	0	22,087
E&R	14,357	0	14,357	12,729	0	12,729	21,143	0	21,143	6,723	0	6,723
Total	45,554	(1,017)	44,538	40,284	1,017	41,301	32,147	0	32,147	32,522	0	32,522

5. DELIVERY OF SAVINGS FOR 2013/14

5.1 The savings proposed for 2013/14 of £9.3m are shown below summarised by risk ranking:

SAVINGS	Proposed 2013/14 £000	Red £000	Amber £000	Green £000	Expected 2013/14 £000
Corporate Services	524	220	0	304	358
Children, Schools and Families	822	230	50	542	822
Environment and Regeneration	1,652	775	0	877	1,225
Community and Housing	6,317	962	732	4,623	5,150
TOTAL	9,315	2,187	782	6,346	7,555

The savings expected to year end are reported in Appendix 6.

6. KEY STRATEGIC RISK REGISTER AS AT SEPTEMBER 2013

6.1 Attached as Appendix 10 is the Key Strategic Risk Register as at September 2013. Members are asked to approve the removal of four risks from the register as their risk rating has reduced sufficiently for them to be removed from the register. These risks will continue to be monitored on Departmental Risk Registers. These risks are:

KSR 51 – Supply Chain Failure - One of Merton's key delivery partners or sponsor goes in to administration – Risk Ranked as 2

KSR 52 - Data quality of management information - Failure to provide accurate performance data – Risk Ranked as 2

KSR 57 - Agency staff - Use of agency staff following changes to employment rights – Risk Ranked as 2

KSR 59 - Business rates - Localism agenda - review of business rates Inc. discretionary reliefs – Risk Ranked as 2

7. CONSULTATION UNDERTAKEN OR PROPOSED

7.1 All relevant bodies have been consulted.

8. TIMETABLE

8.1 In accordance with current financial reporting timetables.

9. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. LEGAL AND STATUTORY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

11.1 Not applicable

12. CRIME AND DISORDER IMPLICATIONS

12.1 Not applicable

13. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

13.1 Attached as Appendix 5D is the Key Strategic Risk Register updated as at the end of December 2012. Directors are asked to review the information in the Appendix, comment as appropriate and approve the information.

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

Appendix 1 – Detailed monthly position table
Appendix 2 – Detailed Corporate Items table
Appendix 3 – Pay and Price Inflation as at June 2013
Appendix 4 – Treasury Management: Outlook
Appendix 5a – Current Capital Programme 2013/14
Appendix 5b – Capital Adjustments
Appendix 5c - Capital Programme Funding summary
Appendix 6 – Progress on savings
Appendix 7 - Forecast year end variance by department
Appendix 8 – Customer/ Client receipts
Appendix 9 – Movement on reserves
Appendix 10 – Key Strategic Risk Register as at September 2013
Appendix 11 – Cashflow statement

15. BACKGROUND PAPERS

15.1 Budgetary Control files held in the Corporate Services department.

16. REPORT AUTHOR

- Name: Paul Dale
- Tel: 020 8545 3458
- email: paul.dale@merton.gov.uk

**Summary Position as at 30
September 2013**

APPENDIX 1

	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget (Sep) £000s	Year to Date Actual (Sep) £000s	Full Year Forecast (Sep) £000s	Forecast Variance at year end (Sep) £000s	Forecast Variance at year end (Aug) £000s
Department	-	-	-	-	-	-	-
3A. Corporate Services	10,529	11,942	13,861	11,642	10,883	(1,059)	(670)
3B. Children, Schools and Families	50,712	50,880	93,280	84,399	51,853	972	602
3C. Community and Housing	-	-	-	-	-	-	-
Adult Social Care	58,040	58,093	29,395	28,143	58,280	187	(318)
Libraries & Adult Education	3,476	3,509	1,912	1,969	3,618	109	5
Housing General Fund	1,957	1,967	1,305	443	1,813	(154)	(73)
3D. Public Health	-	0	(51)	(3,704)	(42)	(42)	(52)
3E. Environment & Regeneration	25,777	26,072	7,842	4,036	25,917	(155)	248
NET SERVICE EXPENDITURE	150,491	152,463	147,546	126,928	152,322	(140)	(257)
3E. Corporate Items	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,878	13,878	3,155	1,523	13,878	0	0
Other Central items	-1,022	-2,993	237	-1,346	-3,807	(814)	-814
Levies	914	914	496	496	914	0	0
TOTAL CORPORATE PROVISIONS	13,770	11,799	3,888	673	10,985	-814	-814
TOTAL GENERAL FUND	164,262	164,262	151,434	127,601	163,307	-954	-1,071

	Original Budget 2013/14	Current Budget 2013/14	Year to Date Budget (Sep)	Year to Date Actual (Sep)	Full Year Forecast (Sep)	Forecast Variance at year end (Sep)
Expenditure	£	£000	£000	£000	£000	£000
Employees	85,766	90,894	44,714	43,786	91,767	873
Premises Related Expenditure	8,153	9,709	5,788	3,370	9,061	(648)
Transport Related Expenditure	10,617	13,171	6,372	5,419	12,495	(676)
Supplies and Services	163,012	161,751	81,314	71,059	162,112	361
Third Party Payments	83,137	87,650	41,541	33,740	87,080	(570)
Transfer Payments	98,995	95,946	4,981	4,870	108,568	12,622
Support Services	34,317	32,417	40	2	32,417	(0)
Depreciation and Impairment Losses	13,990	13,783	(104)	0	13,783	0
Corporate Provisions	13,770	11,799	3,888	673	10,985	(814)
GROSS EXPENDITURE	511,757	517,119	188,535	162,918	528,267	11,148
Income						
Government Grants	(237,082)	(242,551)	(4,607)	(6,535)	(255,342)	(12,791)
Other Grants, Reimbursements and Contribs	(17,646)	(18,584)	(6,418)	(2,116)	(18,822)	(238)
Customer and Client Receipts	(55,695)	(53,654)	(24,086)	(24,065)	(52,749)	905
Interest	(44)	(44)	(22)	0	(24)	20
Recharges	(36,047)	(34,296)	0	(578)	(34,295)	1
Balances	(980)	(3,729)	(1,969)	(2,023)	(3,729)	0
GROSS INCOME	(347,494)	(352,857)	(37,102)	(35,317)	(364,960)	(12,103)
NET EXPENDITURE	164,262	164,262	151,435	127,601	163,307	(954)

Corporate Items	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget (Sep.) £000s	Year to Date Actual (Sep.) £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug) £000s
Cost of Borrowing	14,221	14,261	3,346	1,788	14,097	-164	-45
Investment Inc.	-343	-383	-191	-265	-637	-254	-254
Use for Capital Programme	0	0	0	0	418	418	299
Impact of Capital on revenue budget	13,878	13,878	3,155	1,523	13,878	0	0
Pension Fund	5,087	5,087	0	0	5,087	0	0
Corporate Provision for Pay Award	790	234	0	0	234	0	0
Provision for inflation in excess of 1.5%	314	314	0	0	0	-314	-314
Utilities Inflation Provision	1,000	1,000	0	0	1,000	0	0
Pay and Price Inflation	2,104	1,548	0	0	1,234	-314	-314
Contingency	1,500	1,494	0	0	994	-500	-500
Single Status/Equal Pay	474	474	237	356	474	0	0
Bad Debt Provision	500	500	0	0	500	0	0
CHAS - change in basis	1,226	0	0	0	0	0	0
Cost of disposals - 4%	0	-52	0	0	-52	0	0
Revenuisation and miscellaneous	1,778	1,648	0	0	1,648	0	0
Contingencies and provisions	5,478	4,064	237	356	3,564	-500	-500
Local Services Support Grant	0	0	0	-59	0	0	0
Education Services Grant	0	0	0	-1,643	-3,344	-3,344	-3,344
Use for capital purposes(net of appropriate adjustment for new school becoming an academy)	0	0	0	0	3,344	3,344	3,344
VAT Savings	0	0	0	0	0	0	0
Income Items	0	0	0	-1,702	0	0	0
Depreciation and Impairment	-13,691	-13,692	0	0	-13,692	0	0
Central Items	12,856	10,885	3,392	177	10,071	-814	-814
Levies	914	914	496	496	914	0	0
Transfer to Closing the Gap Reserve	0	0	0	0	0	0	0
Transfer re Education Services Grant	0	0	0	0	0	0	0
Transfer to Capital financing reserve	0	0	0	0	0	0	0
TOTAL CORPORATE PROVISIONS	13,770	11,799	3,888	673	10,985	-814	-814

Pay and Price Inflation as at September 2013

In 2013/14, the budget includes 1% for increases in pay and 1.5% for increases in general prices, with an additional amount of £0.314m which is held to assist services that may experience price increases greatly in excess of the 1.5%

Inflation allowance provided when setting the budget. At present it is not anticipated that there will be a call on this budget but this will not be released until there is greater clarity.

Pay:

2013/14 – The MTFs approved by Council on the 7th March 2012 includes 1% for increases in pay. This equates to £0.790m and is held as a corporate provision.

A pay award has been agreed for 2013/14. The pay settlement is for a 1% pay increase for the current year, The settlement also includes deletion of pay scale point 4, the lowest on the salary spine, from October 2013 . This will increase the minimum salary from £12,145 to £12,435, including the pay rise.

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

Prices:

CPI annual inflation stands at 2.7% in September 2013, which is unchanged from August 2013. There were no significant changes but there was upward pressure from air fares but this was offset by a drop in petrol and diesel prices.

CPIH, the new measure of consumer price inflation including owner occupiers' housing costs, grew by 2.5% in the year to September 2013, the same as in August. Owner occupiers' housing costs increased by 0.1% between August and September 2013.

RPI annual inflation stands at 3.2% in September 2013, down from 3.3% in August 2013.

Outlook for inflation:

On 9 October 2013, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

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

Source: HM Treasury - Forecasts for the UK Economy (September 2013)

Source: HM Treasury - Forecasts for the UK Economy (September 2013)			
	Lowest %	Highest %	Average %
2013 (Quarter 4)			
CPI	1.9	2.9	2.5
RPI	2.1	3.4	3.0
	Lowest %	Highest %	Average %
2014 (Quarter 4)			
CPI	1.6	3.6	2.5
RPI	2.1	4.1	3.1

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.

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. The Bank of England's Monetary Policy Committee (MPC) on 9 October 2013 voted to maintain the official Bank Base Rate at 0.5%. The MPC also voted to maintain the level of Quantitative Easing (QE) at £375 billion financed by the issuance of central bank reserves.

The MPC reached its decisions in the context of the monetary policy forward guidance announced alongside the publication of the August 2013 Inflation Report.

This guidance was summarised and reported in the July monitoring report.

The decision to make no changes to monetary policy was expected and the policy is likely to remain the same for some time to come, barring problems in the USA over its debt ceiling. If the USA were to default on its debt it would result in severe global economic and financial market turmoil.

The UK economic outlook has improved recently which has reduced the likelihood of further Quantitative Easing in the foreseeable future.

The International Monetary Fund recently revised up Britain's economic growth prospects by the biggest amount of any advanced economy, forecasting growth of 1.4% this year and 1.9% for 2014.

The MPC has agreed its intention not to raise Bank Rate from its current level of 0.5% or to reduce its stock of asset purchases at least until the Labour Force Survey (LFS) headline unemployment rate has fallen to a threshold of 7%, subject to three 'knockout' conditions. The number of unemployed in the UK fell by 18,000 in the June-August period to 2.49 million. The unemployment rate remains unchanged at 7.7% from the previous three months. The figures, from the Office for National Statistics (ONS), also show the number of people claiming Jobseeker's Allowance last month fell by 41,700 to 1.35 million. The Bank of England forecasts that the 7% threshold will not be reached before the third quarter of 2016. However, some analysts expect unemployment to fall much faster and therefore that there may be some changes to bank rate and QE levels towards the end of 2015.

The MPC minutes will be available on 23 October.

Forecasts for Bank Base Rates, based on September 2013 are summarised in the following table:-

	End Q.3 2013	End Q.4 2013	End Q.1 2014	End Q.2 2014	End Q.3 2014	End Q.4 2014	End Q.1 2015	End Q.2 2015	End Q.3 2015	End Q.4 2015	End Q.1 2016	End Q.2 2016	End Q.3 2016
Capita	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.75%
Capital Economics	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%			
UBS	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%							

Community and Housing Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	781,290	27,698	268,474	(240,776)	663,283	(118,007)
Libraries	0	0	0	0	0	0
Adult Education and Community	0	(1,989)	0	(1,989)	0	0
Housing	1,322,640	760,000	833,056	(73,056)	1,051,640	(271,000)
Total Community and Housing	2,103,930	785,709	1,101,530	(315,821)	1,714,923	(389,007)

Corporate Services Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,000	4,930	2,000	2,930	0	(2,000)
Corporate Items	1,000,000	3,000	0	3,000	30,000	(970,000)
Facilities Management	4,182,410	982,158	2,013,382	(1,031,224)	4,182,410	0
IT	2,053,620	382,132	933,980	(551,848)	2,053,615	(5)
Resources	45,000	0	13,686	(13,686)	45,000	0
IT Transformation	690,000	0	0	0	0	(690,000)
Corporate Services Total	7,973,030	1,372,220	2,963,048	(1,590,828)	6,311,025	(1,662,005)

Children, Schools & Families Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon Expansion	177,830	81,093	106,040	(24,947)	152,833	(24,997)
BENEDICT PRIMARY SCHOOL EXP	36,670	(39,183)	17,834	(57,017)	36,670	0
Cranmer Expansion	2,955,540	398,484	138,420	260,064	2,500,000	(455,540)
Temp classrooms for 5 schools	0	(543)	0	(543)	0	0
Hollymount Primary School Exp	30,000	16,566	54,090	(37,524)	30,000	0
Joseph Hood Primary School Exp	321,400	(110,924)	313,417	(424,341)	250,000	(71,400)
William Morris PCP	32,740	(7,714)	32,740	(40,454)	32,740	0
Holy Trinity Expansion	242,490	172,644	220,120	(47,476)	242,490	0
St Mary's expansion	1,453,370	341,242	355,003	(13,761)	1,430,665	(22,705)
Pupil Growth - Unallocated	0	55,703	0	55,703	0	0
All Saints/ South Wim YCC exp	169,940	132,199	134,628	(2,429)	194,940	25,000
Gorrington Park expansion	937,410	480,540	805,740	(325,200)	770,281	(167,129)
Hillcross School Expansion	2,542,030	114,640	357,054	(242,414)	2,179,962	(362,068)
Merton Abbey Temp Accomodation	1,501,130	305,748	624,525	(318,777)	1,316,414	(184,716)
Pelham School Expansion	1,184,850	291,707	282,910	8,797	1,001,761	(183,089)
Cricket Grn Exp-Chapel Orchard	39,650	30,435	31,960	(1,525)	39,650	0
Dundonald expansion	200,130	51,000	145,190	(94,190)	200,130	0
Poplar Permanent Expansion	1,063,190	416,057	446,884	(30,827)	846,775	(216,415)
Liberty expansion	76,190	11,726	41,122	(29,396)	76,187	(3)
Singlegate expansion	1,670,760	69,816	150,000	(80,184)	270,760	(1,400,000)
Wimbledon Park expansion	2,463,490	1,409,017	1,174,920	234,097	2,463,490	0
22 FE Primary Schoole Expansion	0	0	0	0	0	0
St Ann's Primary Phase	339,430	47,871	135,772	(87,901)	200,000	(139,430)
23 FE School Expansion	0	0	0	0	0	0
Wimbledon Chase Expansion	78,220	0	67,853	(67,853)	78,220	0
Total Primary Expansion	17,516,460	4,268,124	5,636,222	(1,368,098)	14,313,968	(3,202,492)

Children, Schools & Families Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	466,310	208,012	186,524	21,488	466,310	0
SEN Centre of Excellence	0	(18,109)	0	(18,109)	0	0
Early Years	0	(59,158)	0	(59,158)	0	0
Garden PCP	289,320	172,606	261,510	(88,904)	309,320	20,000
Schools Access Initiative Inc	34,750	(8,000)	13,900	(21,900)	34,750	0
Bishop Gilpin New Classroom	0	(6,250)	0	(6,250)	0	0
SS Peter & Paul PCP	20,000	0	0	0	0	(20,000)
School kitchens/dining areas	0	(1,901)	0	(1,901)	0	0
Behaviour Unit	3,910	0	3,910	(3,910)	3,910	0
Primary school autism unit	50,000	0	50,000	(50,000)	20,000	(30,000)
Short Breaks Disabled Children	89,540	39,123	35,816	3,307	89,540	0
Primary Capital Improvements	417,990	131,194	186,730	(55,536)	425,680	7,690
Play Spaces	0	0	0	0	0	0
Former Royal Sun Alliance SG	103,420	(33,068)	103,420	(136,488)	103,420	0
Secondary Expansion	0	29,100	0	29,100	0	0
Schools Loans	372,800	0	180,000	(180,000)	0	(372,800)
Ursuline School Loan	600,000	0	600,000	(600,000)	600,000	0
Youth Centres	139,010	2,333	100,000	(97,667)	120,000	(19,010)
Total Other	2,587,050	455,882	1,721,810	(1,265,928)	2,172,930	(414,120)
Total Children, Schools and Families	20,103,510	4,724,006	7,358,032	(2,634,026)	16,486,898	(3,616,612)

Environment and Regeneration Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	886,090	366,595	446,090	(79,495)	986,090	100,000
Greenspaces	904,450	223,420	320,538	(97,118)	905,930	1,480
Highways General Planned Works	684,540	327,239	82,800	244,439	505,440	(179,100)
Highways Planned Road Works	1,850,000	282,047	615,000	(332,953)	1,700,000	(150,000)
Leisure Centres	300,000	10,597	50,000	(39,403)	300,190	190
Other E&R	1,348,550	907,814	1,213,550	(305,736)	1,317,550	(31,000)
On and Off Street Parking	115,000	40,786	100,000	(59,214)	115,000	0
Plans and Projects	74,090	67,632	54,090	13,542	71,530	(2,560)
Regeneration Partnerships	2,657,520	113,192	224,480	(111,288)	817,084	(1,840,436)
Street Lighting	534,580	195,607	94,580	101,027	534,580	0
Street Scene	346,450	126,861	214,290	(87,429)	471,450	125,000
Transport for London	2,758,410	656,643	1,434,059	(777,416)	2,739,929	(18,481)
Traffic and Parking Management	137,290	14,829	157,340	(142,511)	282,340	145,050
Transport and Plant	395,200	46,166	165,800	(119,634)	372,396	(22,804)
Safer Merton - CCTV & ASB	0	5,818	0	5,818	30,000	30,000
Environmental Health	1,076,810	744,665	261,960	482,705	1,080,000	3,190
Waste Operations	288,330	10,584	187,330	(176,746)	308,330	20,000
Environment and Regeneration	14,357,310	4,140,495	5,621,907	(1,481,412)	12,537,839	(1,819,471)

CAPITAL VIREMENTS AND REPROFILING-SEPTEMBER 2013 MONITORING

	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget
	£			£	£	£			£	£
Community and Housing	14,000	0	0	(14,000)	0	0			14,000	14,000
CareFirst report Development	9,510	0	0	(5,850)	3,660	0			5,850	5,850
Captive E-Learning CareFirst	1,520,000	0	0	(760,000)	760,000	0			760,000	760,000
Western Road										
Total Community and Housing	1,543,510	0	0	(779,850)	763,660	0	0	0	779,850	779,850

	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget
	£			£	£	£			£	£
Corporate Services	281,700	0	0	(236,700)	45,000	280,000	0	0	236,700	516,700
Improving Financial Information Systems										
Total Corporate Services	281,700	0	0	(236,700)	45,000	280,000	0	0	236,700	516,700

CAPITAL PROGRAMME FUNDING SUMMARY 2013/14

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Revised - Cabinet September 2013	23,081	22,477	45,555
Corporate Services			
Improving Financial Information Systems	(237)	0	(237)
Community and Housing			
Western Road		(760)	(760)
Carefirst Report Development	0	(14)	(14)
Capitive E-learning Carefirst	0	(6)	(6)
Revised - Cabinet October 2013	22,844	21,697	44,538

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 13-14

Panel	Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments	R/A Included in Forecast Over/Under spend? Y/N
		<u>Customer Services - Bailiffs</u>	Service					Y
O&SC	CS7	Joint service with Sutton for the end of 12/13 & 13/14.	Description	150	35	R	Charges have been reviewed following a complaint made to the Local Government Ombudsman, resulting in a reduced level of fees	
O&SC	CS22	<u>Infrastructure & Transactions - IT Service Delivery</u> Reduction of 2 FTE's	Service Description	72	72	G		
		<u>Infrastructure & Transactions - Facilities Management</u>	Service				Saving will be found elsewhere within the department	Y
O&SC	CS37	Introduce a charge for the Archive Service Facility	Description	15	0	R		
O&SC	CS39	<u>Infrastructure & Transactions - Facilities Management</u> Close Worsfold House and relocate service to Civic Centre.	Service Description	13	13	G		
O&SC	CS43	<u>Infrastructure & Transactions - Transactional Services</u> Recovery of overpayments and other VAT recovery.	Service Description	(50)	(50)	G		
O&SC	CS44	<u>Human Resources - L&D</u> Centralisation of L&D spend	Service Description	230	230	G		
O&SC	CS51	<u>Human Resources - Employee Relations</u> Staff side	Service Description	20	9	R		Y
		<u>Human Resources - Employee Relations</u>	Service				Different delivery model to be implemented in December, full year saving will not be achieved in current year	Y
O&SC	CS52	Review Employee Relations team	Description	35	10	R		
O&SC	CS54	<u>Corporate Governance - Democracy Services</u> Delete Deputy Head of Service or a Democratic Services Officer post	Service Description	24	24	G		
O&SC	CS56	<u>Corporate Governance - Democracy Services</u> Reduction in overtime payments to staff in Mayor's Office.	Service Description	1	1	G		
O&SC	CS59	<u>Corporate Governance - Contingencies budget</u> Within the public duties budget is the contingency sums for additional payments to staff who are used during an emergency situation such as the Riots and gas supply loss situations. This contingency covers payments not covered under departmental budgets as well as payments for external third party organisations initiated by the borough.	Service Savings Description	14	14	G		
		Total Corporate Services Department Savings for 2011-2015		524	358			

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS PROGRESS: 2013-14

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
CSF01	CSF Children Social Care & Youth Inclusion Commissioning saving from re-designing the service previously provided by Action for Children.		15	15	G	
CSF02	CSF Children Social Care & Youth Inclusion Reduction in Youth Offending Team budgets		17	17	G	
CSF03	CSF Children Social Care & Youth Inclusion Reduction in premises budget as we no longer need the contingency for repairs and maintenance for south Wimbledon and Wyvern.		20	20	G	
CSF04	CSF Children Social Care & Youth Inclusion Reduction in connexions commissioning		50	50	G	
CSF05	CSF Children Social Care & Youth Inclusion The Youth Service Manager post currently operationally manages all of Merton's direct youth work provision.		45	45	G	
CSF07	CSF School Standards and Quality Increased income generation and management efficiencies		60	60	G	
CSF08	CSF Early Years Service restructuring and realignment to deliver efficiencies		80	80	G	
CSF09	CSF SEND Integrated Service Management efficiencies and improvement in commissioning		30	30	R	Salary budgets will be overspend due to management and social work vacancies covered by agency. Additional budget was identified to permanently increase management support.
CSF10	CSF Contracts, Procurement and School Organisation Efficiency savings in contracts function		13	13	G	
CSF11	CSF Contracts, Procurement and School Organisation Efficiencies achieved through shared service with LB Sutton		27	27	G	
CSF12	CSF Commissioning Function and Commissioning Budgets Reduction in commissioning budgets for Early Intervention and Prevention service		90	90	G	
CSF13	CSF Commissioning Function and Commissioning Budgets Reduce expenditure on LAC and SEN placements		200	200	R	Base budgets were reduced, increased cost due to increased caseload is causing a cost pressure, some of which is covered by grant funding. If grant funding does not continue, this could lead to an even bigger cost pressure in future years.

CSF15	CSF SEN Transport Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport		50	50	50	A	Base budgets were reduced. The annual SLA charge for 2013/14 increased by £316k which would cause a budget pressure for CSF. This increase is currently under investigation.
CSF17	CSF Children Social Care & Youth Inclusion Division Saving from restructuring / administrative efficiencies in Children's Social Care Division.		75	75	75	G	
CSF18	Education Division Savings through restructuring / administrative efficiencies in Education Division.		25	25	25	G	
CSF19	Commissioning, Strategy and Performance Division Savings through restructuring / administrative efficiencies in Commissioning, Strategy and Performance Division.		25	25	25	G	
	Total Children, Schools & Families Department Savings for 2013-14		822	822	822		

APPENDIX 6

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC17	Service Description Adult Social Care		200	0	R	One LD customer identified to move so far - suspended because of family objection. Project is unlikely to achieve the savings target for 2013-14
ASC7	Service Description Adult Social Care		600	600	G	
ASC8 / ASC38	Service Description Adult Social Care		600	150	R	Circa £100k achieved to date through releasing voids; further re-negotiations on-going; unlikely to meet full year target
ASC18	Service Description Adult Social Care		154	154	G	
ASC36	Service Description Adult Social Care		100	100	G	
ASC13 & ASC34	Service Description Adult Social Care		200	157	G	
ASC14	Service Description Adult Social Care		233	310	G	
ASC35	Service Description Adult Social Care		350	220	A	There is a risk that the full saving will not be met as the current forecast is £114k overspend. Monitored as part of monthly budgetary control
ASC43	Service Description Adult Social Care		42	18	G	
ASC39	Service Description Adult Social Care		110	58	A	Circa £58k savings achieved to date; 3 month review post hospital discharge not yielding as many gains as first thought - reviews continue - there is a risk this project may not meet the full target
ASC37	Service Description Adult Social Care		50	50	G	
ASC16	Service Description Adult Social Care		25	0	G	
ASC19 & ASC40	Service Description Adult Social Care		75	35	A	Circa £31k projected to date - further reviews being identified

Ref	Description of Saving		Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC6	Service Description	Adult Social Care Transport		112	0	R	Budget manager is in discussion with transport services for Core routes for Day centres
ASC10	Service Description	Adult Social Care Optimise telecare usage		165	50	A	It is suggested that telecare for new customers is cost avoidance - not savings against current customers - it is unlikely this project will meet the savings target for 2013-14
ASC41	Service Description	Adult Social Care Staffing savings in Direct Provision		114	114	G	
ASC42	Service Description	Adult Social Care Reduction in Mental Health Placement		32	32	G	
ASC23	Service Description	Adult Social Care Partnerships :The health and social care system . Reablement		3,000	3,000	G	
	Service Description	Merton Adult Education Increase income from commercial courses and cafe		50	6	R	Due to delayed implementation of the new commercial structure generating the target profit is unlikely to happen. New roles have been recruited to and will work on making up time.
	Service Description	Merton Adult Education Reduce administrative and marketing costs		18	36	G	The slowing pace of enrolments has required increased marketing activity and intervention . However re-structure has resulted in saving target being achieved
	Service Description	Merton Adult Education Close Canons House site and seek alternative venues without incurring costs		32	5	A	Closure of canons house occurred at the end of July
	Service Description	Libraries Completion of changes to opening hours, rationalisation of a number of small contracts and increase in income.		13	13	G	
	Service Description	Housing Deletion of 1x Strategy Officer post.		42	42	G	
	Total Community & Housing Department Savings for 2013-14			6,317	5,150		

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER01	Service Description Parks, Greenspaces & Cemeteries Reduction x 1 cemetery supervisor, fee/income increases, 10k reduction in grant to Michtham Common Conservators		89	89	G	
ER04	Service Description Leisure & Culture Reductions in supplies & services budgets, reduction of a total of 0.7 fte, reduction of theatres grant & removal of olympics budget.		55	55	G	
ER05	Service Description Leisure & Culture Delete 3 fte Leisure & Arts Development Officers leaving, cease London Youth Games funding, delete post of Leisure & Business Projects Officer (0.7 fte) & increase income through multi use games room at Cannons Leisure.		103	103	G	
ER06	Service Description Greenspaces A phased reduction in the grant to Deen City Farm of fifteen thousand per year for the next three years.		15	15	G	
ER07	Service Description Development & Building Control Changes in fee regulation		(200)	(200)	G	

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Service Description	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER14	Parking Services Enforcement of moving traffic offences, reduce car park costs due to removal of car park and stream line tariffs, channel Migration, reduce phone calls, reduce CEO sickness and gain CEO efficiencies.			380	145	R	<p>Reduce Car park costs - This saving was based upon the disposal of Kenley Rd Car Park, which cannot now be achieved as the authority needs to keep this car park due to the loss of Morden Station Car Park which TFL have now taken back.</p> <p>Chanel migration and a reduction in phone calls - This saving was based upon the introduction of online improvements which has now been introduced. Whilst this has generated efficiencies in officers time it also coincided with a 40% increase in workload (including phone calls) thus negating the efficiencies made by the on line improvements.</p> <p>CEO efficiencies - At this moment in time these efficiencies cannot be achieved but could be achieved on top of the existing estimates for ANPR enforcement which is scheduled to be introduced in the year 2016 2017.</p> <p>This shortfall will be managed and mitigated by the section</p>
ER17	Waste Management Reductions in landfill tonnage and anticipated Slwp contract cost, staff saving and legislative change to close Landfill Allowance Trading Scheme in March 2013			191	191	G	

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER18	Waste Management Introduction of 6 day working week for refuse, recycling and food collection from Oct 2012		271	271	G	
ER20	Traffic & Highways Introduce Streetworks Permitting Scheme, income from fixed penalty notices(FPN's), savings on energy and service changes associated with the existing Street Lighting Contract.		245	203	R	£42k relating to renegotiation of Highways contract not likely to be met.
ER21	Traffic & Highways 15% reduction in staffing and reductions in Footway Maintenance/Street Furniture/Dictingwatercourses/Street Lighting & Worksheet budgets.		79	79	G	
ER22	Traffic & Highways A further 15% reduction in staffing		60	60	G	
ER25	Commercial Services Potential to income generate In Commercial Waste and Recycling due to withdrawal of the LATS requirement.		150	0	R	Saving unlikely to be met. Work continuing in order to maximise income potential.
EN01	Legal Budget/PP&D Reduction in spend on legal cases by way of a combination of proactive resolution of issues at first point and/or drawing on section budgets to cover shortfall.		14	14	G	
EN08	Building and Development Control 10% increase in pre application planning fees and additional charge for tree pre-application advice		10	10	G	
EN15	Waste and Street Cleansing Operations Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.		25	25	G	
EN22	Traffic and Highways Reduction in Street Lighting Budget		50	50	G	
EN30	Traffic and Highways Reduction in supplies and Services Costs		6	6	G	

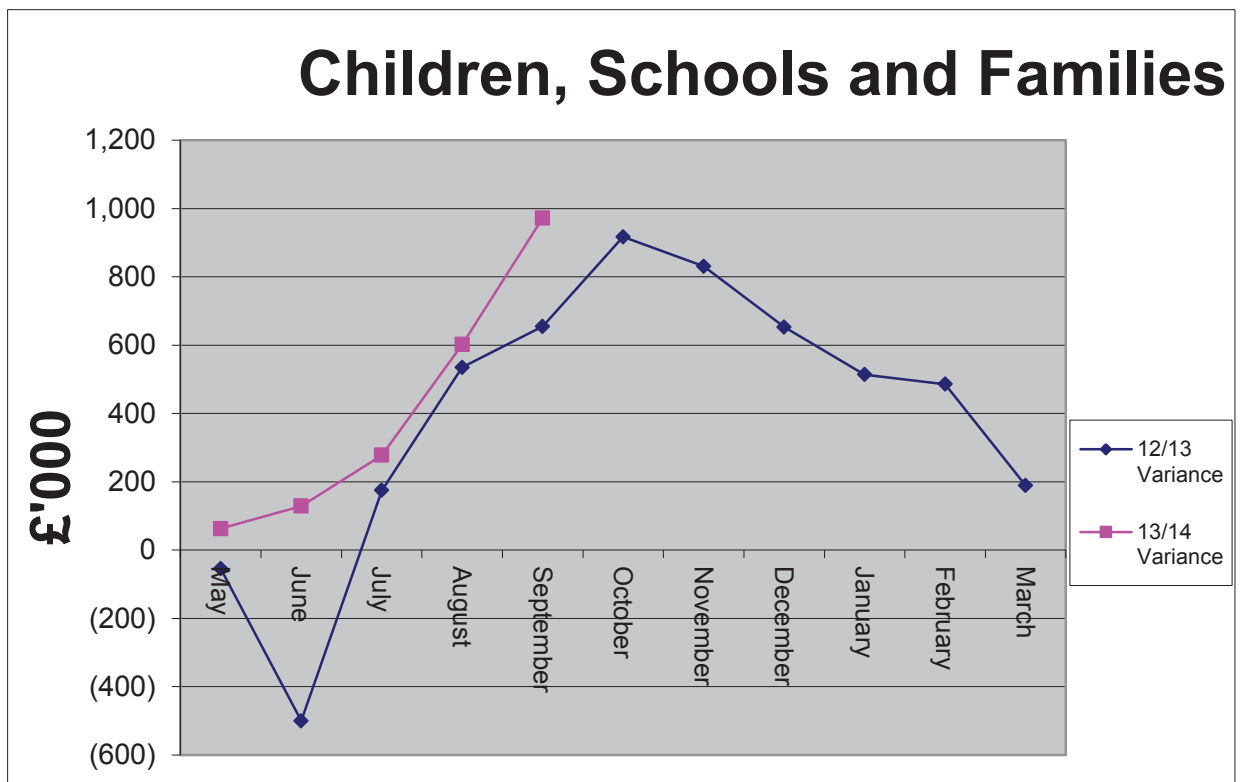
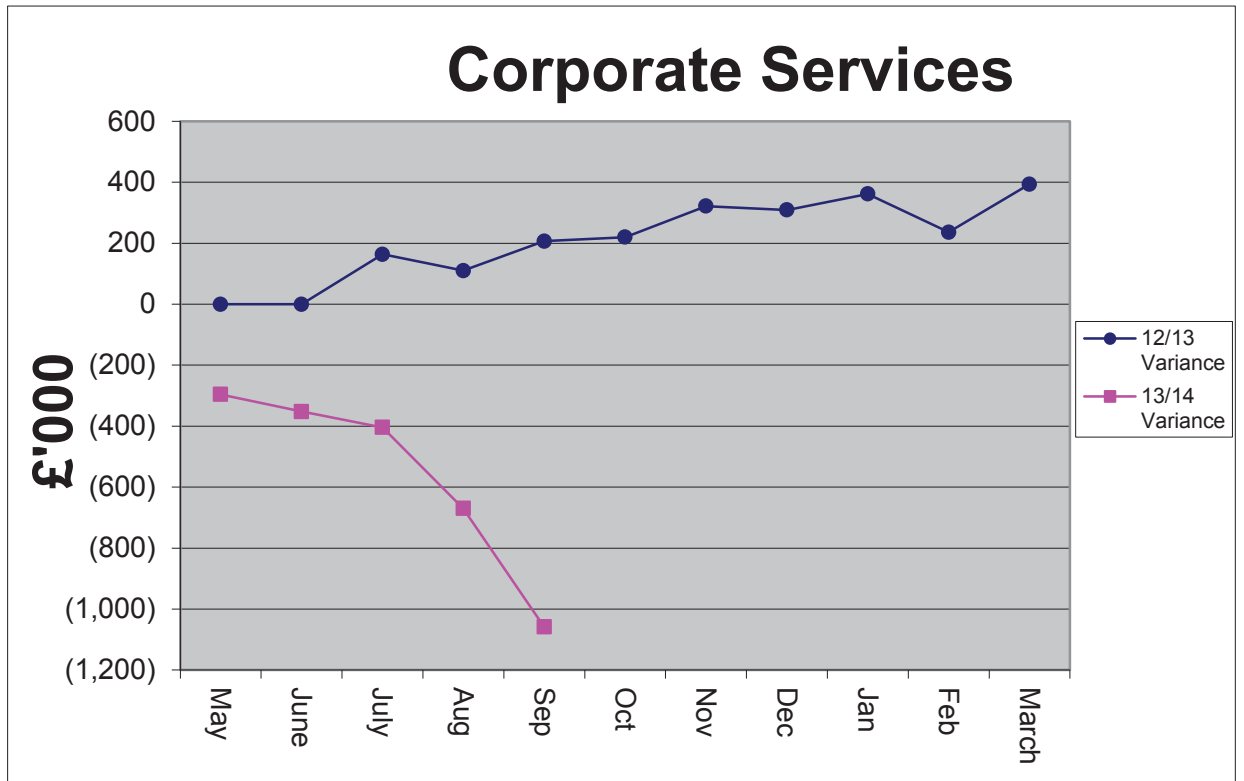
Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

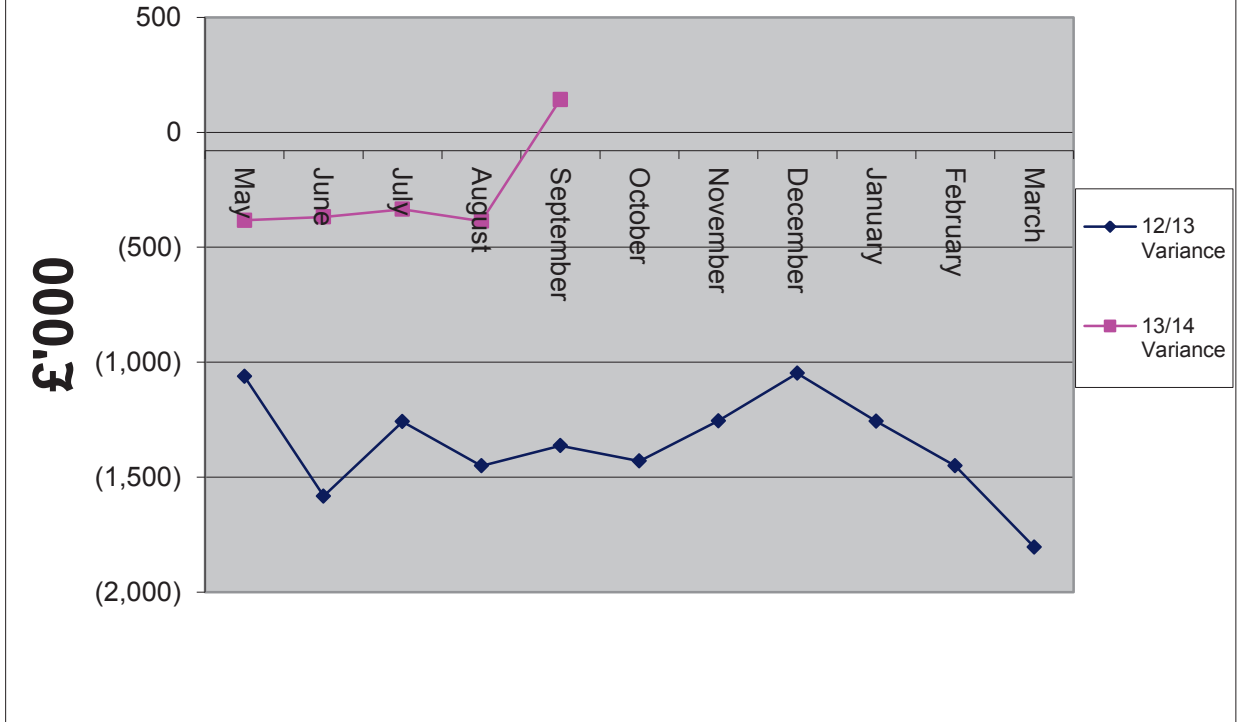
Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
EN34	Service Description Leisure & Culture Development Team Various Budgets - Reduction in supplies & services		6	6	G	
EN38	Service Description Leisure & Culture Development Team Reduction of Core Arts Grants to Polka Theatre - Proposal to further reduce Polka theatre's grant by £4k per annum in each of 2013/14 & 2014/15 financial years		4	4	G	
EN39	Service Description Senior Management & Support Removal of vacant Policy & Projects Officer post.		44	44	G	
EN40	Service Description Senior Management & Support Reduction in various supplies and services budgets within the section, including stationery and subscriptions.		55	55	G	
	Total Environment & Regeneration Department Savings for 2013-2014		1,652	1,225		

APPENDIX 7

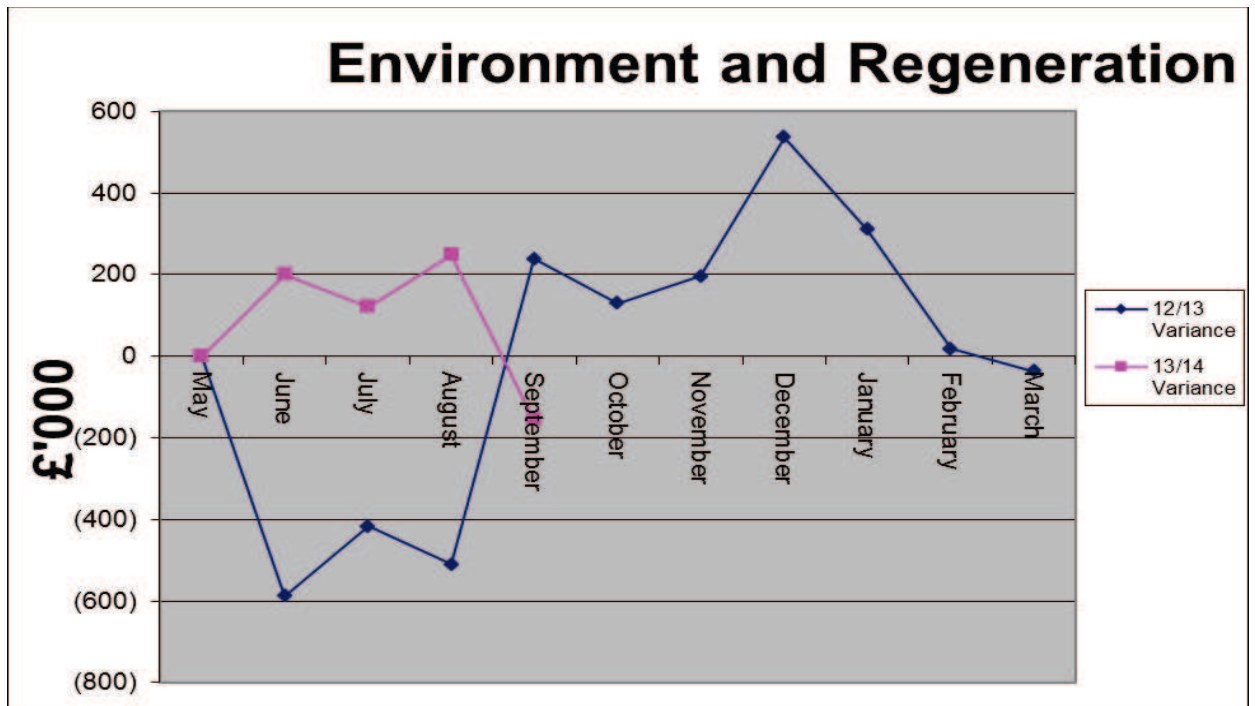
The following charts show the forecast year end variance by department with a comparison for 2012/13:



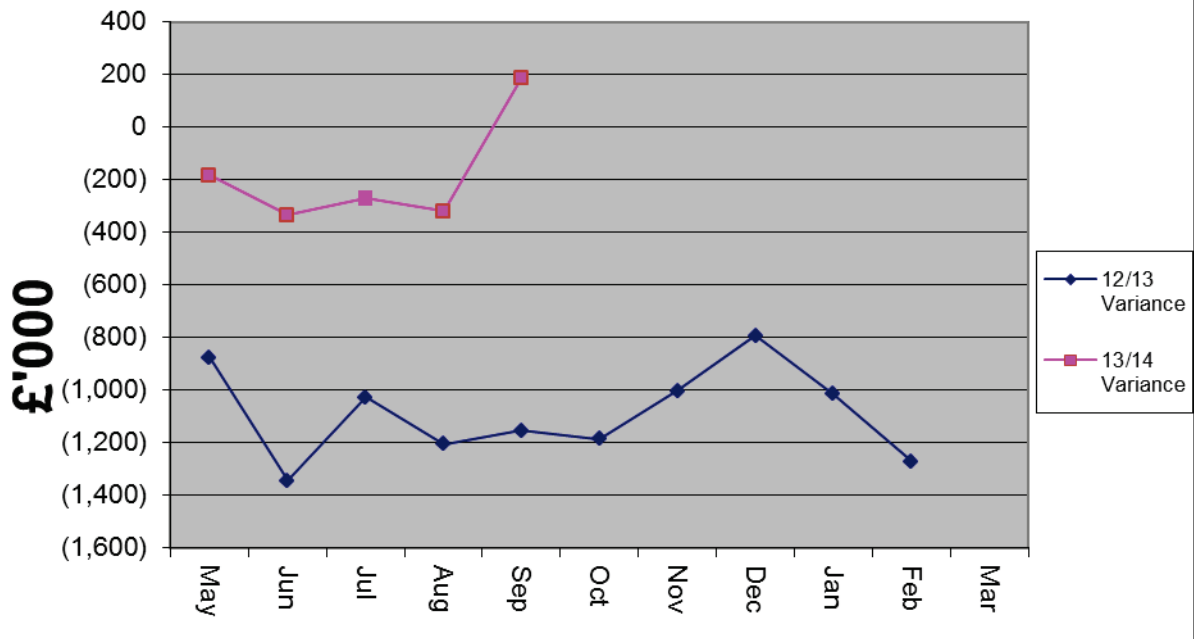
Community and Housing



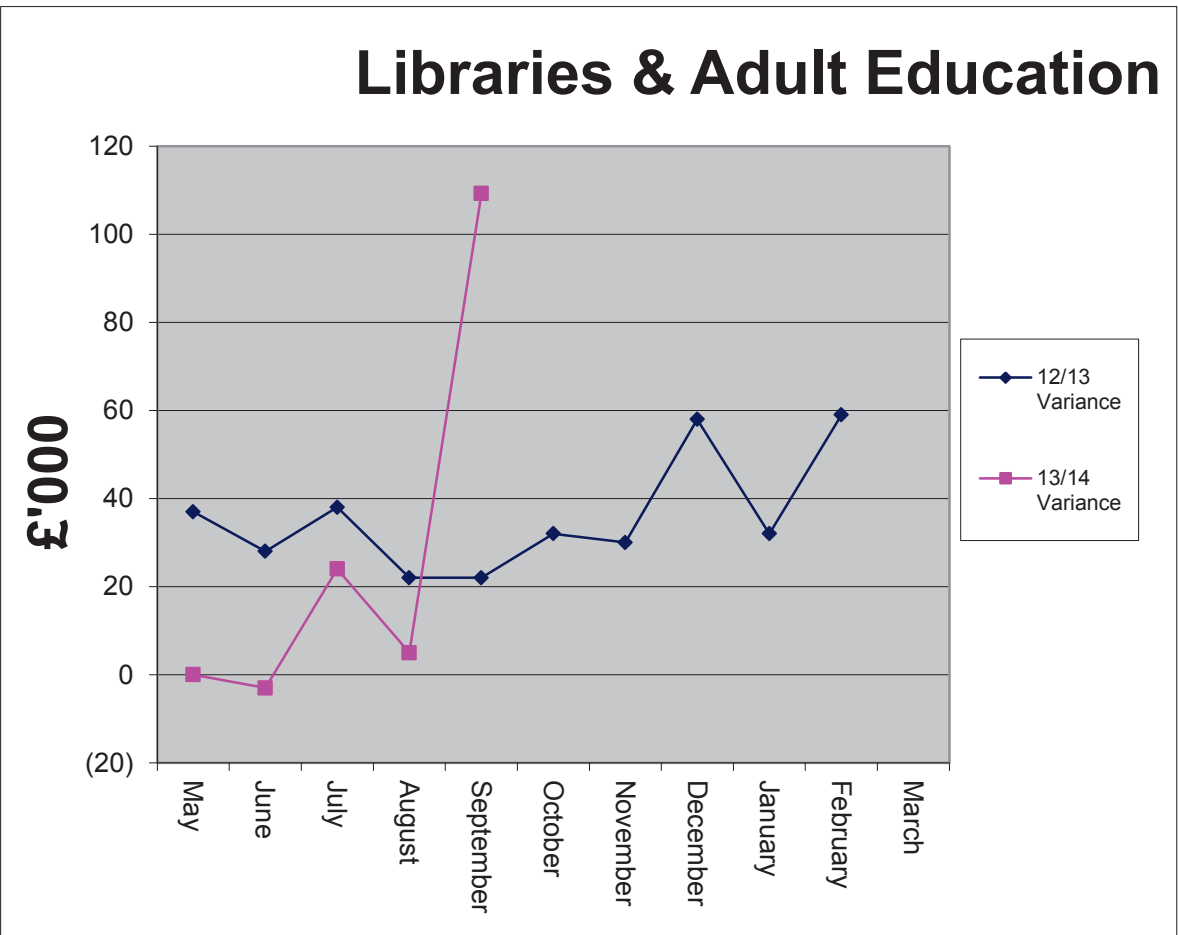
Environment and Regeneration

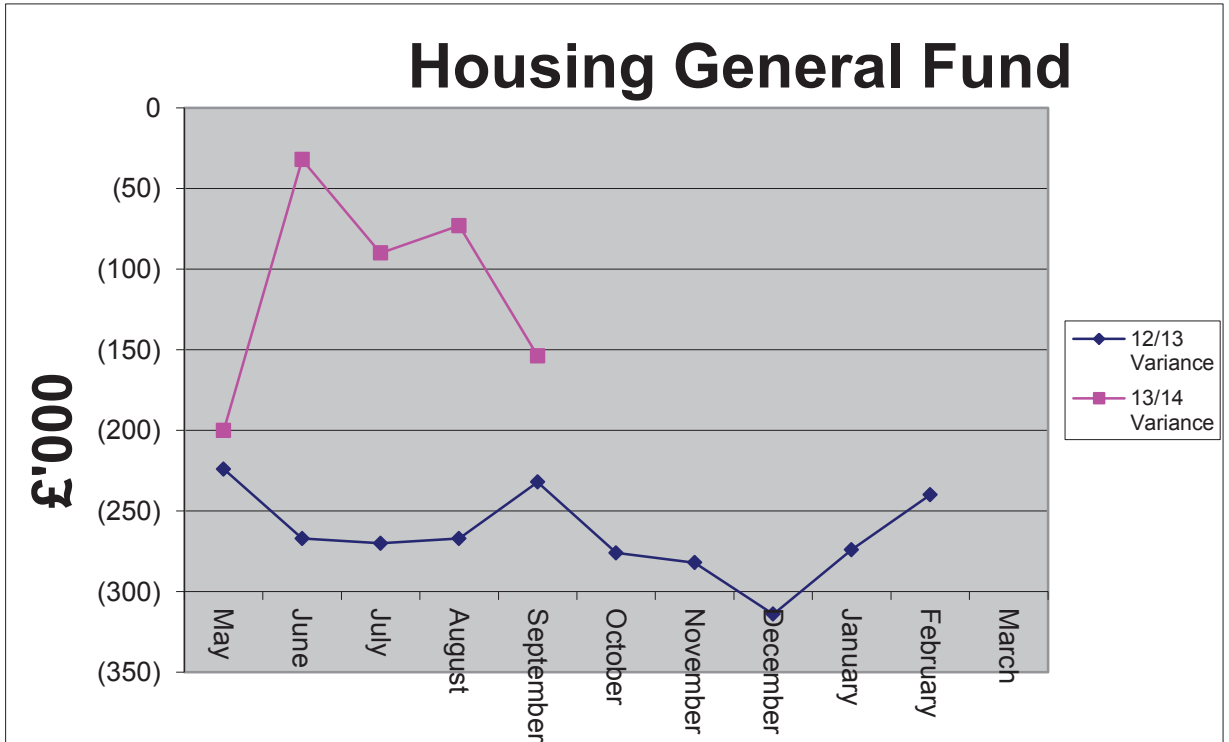


Adult Social Care



Libraries & Adult Education





APPENDIX 8

Customer & Client Receipts - £000's									
2013/14									
Department	Division/Service	Total Budget	Year to Date Actual (P6)	Year to Date Budget (P6)	Year to Date Over (under) Spend	Latest Forecast	Forecast Variance	Internal Receipts Forecast	External Receipts Forecast
Childrens Schools & Families	Schools Buy Back	-2,653	-689	-884	196	-2,710	-57	-79	-2,710
	PDC	-247	-84	-124	39	-254	-7	-79	-175
	Early Years & Childrens Centres	-1,192	-560	-591	30	-1,183	9		-1,183
	Other	-218	-201	-109	-92	-337	-119		-337
	CSF Total	-4,309	-1,534	-1,708	174	-4,483	-174	-79	-4,404
Corporate Services	Customer Services	-2,138	-1,302	-1,069	-233	-2,433	-295	-120	-2,313
	Corporate Governance	-197	-233	-98	-135	-195	2	0	-195
	Human Resources	-533	-219	-194	-25	-494	39	-128	-366
	Infrastructure & Transactions	-1,990	-667	-924	257	-2,095	-106	-1,782	-313
	Resources	-739	-63	-369	306	-874	-135	-1	-873
	Business Improvement	-79	-32	0	-32	-111	-32	-110	-1
	CS Total	-5,675	-2,517	-2,655	138	-6,202	-527	-2,141	-4,060
Environment & Regeneration	Street Scene & Waste	-11,580	-5,188	-5,031	-157	-10,975	605	-6,871	-4,104
	Public Protection & Development	-13,937	-6,568	-6,884	316	-13,390	547	-95	-13,295
	Sustainable Communities	-7,118	-3,836	-3,380	-456	-6,918	200	-1,096	-5,822
	Safer Merton	-6	0	-3	3	-8	-2	0	-8
	E&R Total	-32,641	-15,592	-15,298	-294	-31,291	1,350	-8,062	-23,229
Community & Housing	Adult Social Care - Client Contribution & Other Cont	-9,980	-3,969	-3,851	-118	-9,820	160	-49	-9,771
	MAE & Libraries	-956	-375	-550	175	-808	148	-86	-722
	Housing	-94	-78	-26	-52	-144	-50	0	-144
	C&H Total	-11,030	-4,422	-4,427	5	-10,772	258	-135	-10,637
Grand Total		-24,065	-24,087	23	-52,749	906	-10,417	-42,331	

Reserves

APPENDIX 9

Forecast Movement in Reserves 2013/14	Actual Bal at 31/3/13	Net Movt. in year	Bal. at 31/3/14
	£'000	£'000	£'000
General Fund Reserve (including HRA)	18,838	0	18,838
Earmarked Reserves	33,749	-10,688	23,061
Grants & Contributions	5,392	-1732	3,660
Total Available Gen. Fund Rev. Reser	57,979	-12,420	45,559
Fixed to Contracts	1,954	0	1,954
Total General Fund revenue reserves	59,933	-12,420	47,513

Analysis			
Earmarked Reserves			
Outstanding Council Programme Board	9,789	-1408	8,381
For use in future years for budget	9,752	-3000	6,752
Revenue Reserves for Capital / Revn.	4,269	-3047	1,222
Energy renewable reserve	1,441	0	1,441
Repairs & Renewal Fund	1,424	0	1,424
Transforming families reserve	1,318	-524	794
Pension Fund additional contribution	1,078	-1078	0
Local Land Charges Reserve	1,075	0	1,075
Apprenticeships	1,000	-525	475
Community Care Reserve	996	0	996
Performance Reward Grant	651	-385	266
Economic Development Strategy	623	-623	0
Other	333	-99	234
Earmarked Reserves	33,749	-10688	23,061
Adult Social care contributions	2,277	-521	1,756
Culture and Environment contributions	931	-354	577
Culture and Environment grant	852	-359	493
Childrens & Education grant	780	-235	545
Adult Social care grants	101	-101	0
Housing Planning Development grant	345	-162	183
Housing GF grants	106	0	106
Grants & Contributions	5,392	-1732	3,660
Total	39,141	-12420	26,721

Insurance Reserve	1,954	0	1,954
Fixed to Contracts	1,954	0	1,954

DSG Reserve	2,378	-473	1,905
Schools Reserve	1,060	-117.5	943
Schools PFI Fund	3,767	304	4,071
Add Schools own reserves	11,674	0	11,674
Schools Reserves	18,879	-287	18,593

Capital Grants	3,826	0	3,826
Capital Contributions	567	0	567
Capital Receipts	22,752	778	23,530
Capital Reserves	27,145	778	27,923

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status		Direction of travel		Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G	R					
KSR56 / CSF6	CS&F funding changes, budget savings & resource management	Uncertainty regarding changes to funding regimes & external grants, including government review of DSG, Academies funding & future reductions in EIG. Requirement to make significant savings over the next 3-4 years. Need to balance competing demands at a time of contracting resources & extensive change. Youth Justice and SEN changes uncertain	Impact on ability to provide statutory services, possibility of undermining the Merton Model, causing additional spend pressures in targeted services. Low staff morale, difficulties in managing the impact of the Workforce Management Strategy. Time and effort required to manage change & meet expectations of members & central government may lead to failures in the management of ongoing operational work.	5	3	15	R	A	G	→	→	DMT & CS Resources	Cllrs Maxi Martin and Martin Whelton		Monitor government proposals consultation response & implications fed into budget and MTFs. Budget savings to be identified & analysed for impact including EIA, TOM & service planning work. All CSF service plans.
KSR08 / ER28	Loss of income	Current financial climate. Failure to meet income targets over next 3 years due to falling income	Departmental budgets will not be balanced. Increased pressure on resources and other budgets	5	3	15	R			→	FI	Chris Lee	Cllr Mark Allison	DMT minutes	Sustainable Communities: capital receipts target to be reviewed, asset management review to profile income. Cemeteries income, small shortfall in Q1. Total outdoors income on target (target needs checking). CP continuing to bid for awards. SS&W - Pest control income is red but target to be reviewed. Increase in streetwork inspections, income assoc with this to be kept under review. Commercial waste failing to meet target. PP&D - reduction in PCN income, to be closely monitored. Building and Dev control failing to meet target.
KSR66 / PH5	PID	Problems with N3 connection / working with LA systems	Difficulty in monitoring some of the sexual health contracts and issues with Mental health needs assessments.	5	3	15	R			New	SP	Kay Eilbert	Cllr Linda Kirby	Work in progress	
KSR67 / PH6	Provision of Health Checks (lack of)	Inability to find contractors to deliver health checks	Non compliance in provision of mandated services as per PH requirements	5	3	15	R			New	SP	Kay Eilbert	Cllr Linda Kirby	Work in progress	
KSR55 / CSF4	Changing Borough Demographics	Increases in both the total population in the borough, including in particular families with young children, and also in the mix of the population with respect to ethnicity, disability and deprivation.	Additional demand for school places, and services for children with special educational needs and disabilities, as well as pressure for growth in children's social care and child protection interventions.	6	2	12	A			↑	O	Paul Ballatt	Cllr Maxi Martin / Cllr Martin Whelton		CSF service plans

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel	Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G						
KSR35 / CSF1	Safeguarding children	Difficulties recruiting experienced social workers. High turn over of existing staff. The potential for less effective interagency working. Changed expectations and updated regulatory framework. Ongoing budget pressures could undermine the Merton Model.	Child protection and safeguarding issues including possible child death. Impact on reputation and political consequences. There could be an increase in high cost interventions.	3	4	12	A	→	R		Theresa Leavey	Cllr Maxi Martin	LSCB Business Plan & CYPP		
KSR45 / CG03	Asbestos Compliance	Asbestos compliance officer post vacant	Failure to comply with statutory duty on managing Asbestos	4	3	12	A	→	HS		Adam Viccari	Cllr Mark Allison	TBA	Secured a short term contractor to carry out pending reviews whilst considering a business case to increase the role to full time to attract qualified technical candidate. Consultation with other councils has concluded that an inhouse option provides better VFM and better quality of compliance	
KSR09	Safety of Staff	Failure to protect staff	Member of staff could be injured or killed; impact on morale of other staff; open to claims of negligence; potential financial loss. Failure to share information on people known to be violent.	3	4	12	A	→	TBC		Simon Williams / Dean Shoesmith	Cllr Mark Allison	See comments	A centralised system based on accident/incident reporting has now been agreed, the system is being built and tested, with a view to populating this system in September 2013 and go live with the system at that point.	
KSR46 / IT01	Staff Health & Safety	H&S risk from poor investment in building facilities / organisational downsizing & loss of staff with specialist skills	Corporate manslaughter, negligence suits, poor staff morale, possible strike, poor customer service.	4	3	12	A	→	HS		Mark Humphries	Cllr Mark Allison	Building Condition Survey linked to Capital Programme	Various capital and revenue projects have been identified to address some of these issues. The risk associated with the Civic Centre windows has significantly reduced as a result of the window replacement project commencing on site.	
KSR65 / PH2	GUM overspend	This service is open access anywhere in the country, therefore difficult to manage demand	Potential significant overspend on sexual health services	4	3	12	A	New	FI		Kay Eilbert	Cllr Linda Kirby	Work in progress		
KSR34 / CSF5	School places	Increase in birth-rate and numbers of children reaching primary age locally, with subsequent impact on demand for secondary and special school places.	Primary school expansion programme may be insufficient to increase capacity to meet demand. Need to consider additional provision. Also future risk that increase in numbers will flow through to secondary system such that demand for places will exceed supply.	3	3	9	A	→	R		Yvette Stanley / Paul Ballatt	Cllr Martin Whelton	Commissioning Strategy & Performance plan 2013-17		

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel			Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G	→	↔	↓					
KSR63 / RE11	Failure to comply with equalities duties	Failure to evidence how equalities implications have been considered in developing new policy, designing services & decision making	Reputational impact for council, risk of judicial review & litigation, negative impact on service users and loss of savings.	3	3	9	A				→			Yvette Stanley	Cllr Edith Macauley	Resources service plan 2013-17	
KSR21 / RE03	Failure to adhere to Public Contract Regulations 2006	Lack of awareness in departments that procurement is a tightly regulated area of council activity. Furthermore insufficient capacity (staff, experience, knowledge & budget) in certain areas.	Impact on method and time it takes to award contracts to suppliers. Adverse budget and service implications if not done correctly in adherence to PCRs 2006, such as court imposed stopping of contracts. Slower delivery of savings, service benefits & development of skills & experience of staff takes longer.	3	3	9	A				→		R	Simon Williams	Cllr Mark Allison	Procurement Board	
KSR47 / IT02	Staff security (changes to Welfare Reform)	Inadequate security for staff, Councillors and MP's	Inadequate supervision & management of public areas	3	3	9	A				→		SP/ O	Mark Humphries	Cllr Mark Allison	SIA and physical intervention training has now been completed by Building Services & Security Staff	Due to the nature of the Councils business, this risk will always be a factor and therefore it is being managed through the use of specialist systems and staff training.
KSR48 / IT03	IT systems	Major disruption in the civic centre causing 6th floor data centre to become unusable	IT failure leading to unavailability of IT services impacting on organisational service delivery	2	4	8	A				→		SP	Mark Humphries	Cllr Mark Allison	Business continuity - Plans and strategies	Currently awaiting CMT approval to a report which recommends the use of Gifford House as the Councils Disaster Recovery Centre and agreement to some proposals for recovering priority systems in the event of a major incident or failure. Works to relocate services at Wandsworth are continuing.
KSR44 / HR13	Terms & conditions	Impact of review of T&Cs & ongoing staffing reductions	Impact on staff morale, recruitment & cost implications	4	2	8	A				→		SP	Dean Shoesmith	Cllr Mark Allison	HR Service Plan 2013-17	Project 3. Split ballot outcome will require a return to the negotiating table in the future
KSR58 / CG08	Business Continuity	Business Continuity and Business Impact Analysis forms out of date	Reduced ability to recover from major loss	4	2	8	A				↓		TBC	Adam Viccari	Cllr Mark Allison	Business continuity - Plans and strategies	Plans have been redrafted and are in circulation for comment. DR plans have been revised with new processes and systems in place to recover critical systems in failure. Final report to go to CMT shortly.

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel			Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G	↓	→	↑					
KSR07 / HR02	Safe recruitment practices	Failure of systems to ensure inappropriate staff are not recruited	Inappropriate person may get a role they shouldn't; vulnerable children and adults may be at risk as a consequence	2	4	8	A	→	→	→	SP	Dean Shoemith	Clr Mark Allison	N/A - see comments	Major review undertaken of personal files & employment records to ensure safe recruitment practice in place with recent Good Ousted outcome. Further sampling also undertaken of adult files Five year checks applied to safeguarding roles as standard.		
KSR63 / HR 14	Trinity project	Failure of Trinity project	Impact on HR management of staff & payroll issues	3	2	6	A	→	→	→	SP	Marissa Bartlett	Clr Mark Allison	Trinity project	HR Service plan 2013-17 (project 2)		
KSR50 / RE06	Impact of Procurement	First phase of improvements to procurement delivered, as per Overview & Scrutiny Report from March 2012. Phase 2, spend data analysis, category management and savings delivery moving forward.	Time taken to deliver procurement benefits extends.	3	2	6	A	→	→	→	FI	Peter Stone	Clr Mark Allison	Procurement Board			
KSR60 / RE14	Premises inspections	Statutory inspections not being carried out on engineering plant and other lifting equipment on council premises	Failure to comply with statutory duty to formally inspect lifting equipment: Criminal offence and harm to service users;	2	3	6	A	→	→	→	TBC	Richard Williams	Clr Mark Allison	Schools Insurance SLA			
KSR04 / CG06	Data loss	Accidental loss by staff or hacking	Harm to service users, through breach of privacy or loss of services, reputation & financial impact on council (up to 500K)	3	2	6	A	→	→	→	R	Karin Lane	Clr Mark Allison	Corporate Governance service plan 2013-17	Project 7 - see also Information Governance policy Work ongoing in promoting safe data handling through use of encrypted equipment, data tip of the week, regular staff bulletins etc. - work ongoing		
KSR49 / RE02	Developing corporate Business Plan & setting a balanced budget for 14-18 & beyond	Reduced budgets may impact negatively on service delivery levels	Impact on service provision, reputation, staff morale & internal & external customers satisfaction	3	2	6	A	→	→	→	FI	Caroline Holland / Paul Dale	Clr Mark Allison	Business Plan timetable			
KSR31/ ER09	SWL waste partnership	PHASE A: 1) Beddington AD Plan. Contact risk owner for more information 2) Indexation method. Contact risk owner for more information PHASE B: 1) Contact risk owner for more information	Contact risk owner for more information	2	3	6	A	→	→	→	O/R	Cornac Stokes	Clr Andrew Judge	Managed by the Joint Waste Committee	Phase B still on target in terms of commencement of build. S106 finalised imminently. Review of phase A in progress and report to be drafted for Cabinet.		

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel	Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G						
KSR42 / HR09	Single status	Post single status challenge	Cost of settlement; cost of litigation & resources to contest; impact on staff morale; reputational & political impact	2	2	4	G		→	H	Dean Shoemsmith	Cllr Mark Allison	Single Status	Single status review project is near completion, with final elements of C&H being addressed.	
KSR61 / RE16	Delivery of Savings Programme 2013-18	Savings of £17 million for 2013-18 were identified as part of the MTFS 2013-18.	Non achievement of any saving would adversely impact on the Authority's ability to balance it's budget in the medium to long term if larger than the contingency.	3	1	4	G	New - (Updated)	→	FI	Caroline Holland	Cllr Mark Allison	MTFS		
KSR51 / RE07	Supply chain failure	One of Merton's key delivery partners or sponsor goes in to administration	Impact on service delivery to customers	2	1	2	G	→	→	F/R	Caroline Holland	Cabinet	CSOs	The risk is likely and could impact but as a % of the number of suppliers we have, but having reviewed I would still rate it as low likelihood with a marginal impact (F/R).	
KSR52 / RE08	Data quality of management information	Failure to provide accurate performance data	Inability to proactively manage resources and performance	2	1	2	G	→	→	R	Zoe Church	Cllr Mark Betteridge	Data quality	New Performance Management System (Covalent) implemented 1 June 2013 this will facilitate tighter monitoring controls over performance data quality.	
KSR57 / HR15	Agency staff	Use of agency staff following changes to employment rights	Additional rights given to Agency Workers introduces additional costs & failure to adhere to & comply with new regulations could bring legal challenge & adverse reputational impact.	2	1	2	G	→	→	R	Marissa Bartlett	Cllr Mark Allison	Yes	Report setting out risks & mitigation agreed by CMT on 23.8.11. Guidance produced for managers & regular reviews at DMTs. Spend and usage subject to monthly CMT review via HR metrics. Agency usage in overall terms down and Comensura contract commissioned to reduce cost.	
KSR59 / CS12	Business rates	Localism agenda - review of business rates Inc. discretionary reliefs	May impact on council's financial position	1	2	2	G	→	→	FI	David Keppler	Cllr Mark Allison	Customer Services service plan 2013-17		

Review for removal from KSRR

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status		Direction of travel		Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review	
							R	A	G	↑						→
Emerging Risk																
Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	R	A	G	↑	→	↓	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G	↑	→	↓				
Partnership risks																
Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	R	A	G	↑	→	↓	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
KSR62 / CSF 9	Recommisioing Early Intervention & Prevention	Likely reduction in contracting with local third sector leads to reputational & political risk.	Destabilisation of the Local Strategic Partnership & Children's Trust Board partnership arrangements.	5	2	10	R	A	G	↑	→	↓	Paul Ballat	Cllr Maxi Martin	Commissioning Strategy & Performance service plan 2013-17	

Defining the Likelihood of Risk

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur more than 50%, and up to 90% of the time
4 - Significant	Occurs or likely to occur more than 25%, and up to 50% of the time
3 - Possible	Occurs or likely to occur more than 5% and up to 25% of the time
2 - Low	Occurs or likely to occur more than 1% and up to 5% of the time
1 - Almost Impossible	Occurs or likely to occur less than 1% of the time

Defining the Impact of Risk

Categories	1 - Marginal	2 - Significant	3 - Critical	4 - Catastrophic
Financial Impact - FI	Up to £2.5 million per annum £10 million one off	£2.5 million up to £5 million per annum £20 million one off	£5 million up to £7.5 million per annum £30 million one off	£7.5 million up to £10 million per annum £40 million one off
Service Provision - SP	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
Health and Safety - HS	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
Objectives - O	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
Reputation - R	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

2013/14 CASHFLOW SEPTEMBER 2013

REFDESC	APPENDIX 11												
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Opening Cash Balance as at 01/04/2013													
TOTAL OTHER EXPENDITURE	-2,968,613	-8,824,167	-2,325,927	-2,479,827	-3,990,597	-7,768,588	-2,592,356	-2,940,320	-3,071,783	-7,666,530	-49,766,684	-36,000,000	-532,244
CAPITAL EXPENDITURE	0	-1,439,716	-3,171,926	-1,680,661	-1,788,951	-4,162,928	-4,162,928	-4,162,928	-4,162,928	-4,162,928	-36,000,000	-36,000,000	-532,244
PFI RELATED PAYMENTS	-157,864.36	-41,186	-46,100	-53,970	-89,100	-90,000	-90,000	-90,000	-90,000	-90,000	-90,000	-90,000	-90,000
DAILY DEBITS FROM CHEQU	-33,899,558.77	-22,659,627	-22,412,502	-24,842,482	-26,578,868	-29,561,538	-22,461,538	-24,561,538	-23,944,278	-35,373,538	-326,207,381	-978,289	-978,289
BACS RUN FOR INVOICES		-3,479,887	-3,479,888	-3,479,886	-3,479,888	-3,479,887	-3,479,887	-3,479,887	0	-3,479,887	-30,490,439	-30,490,439	-30,490,439
RATE SUPPORT GRANT		-3,439,747	-3,476,556	-3,468,209	-3,493,882	-3,700,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000
MID MONTH PAYROLL	-3,566,591.20	-1,992,907	-2,005,924	-4,784,752	-2,106,789	-1,950,000	-1,950,000	-1,950,000	-1,950,000	-1,950,000	-26,766,729	-26,766,729	-26,766,729
END MTH PAYROLL MAIN	-1,958,452.67										-21,617	-21,617	-21,617
CHAS PAYROLL											-14,970	-14,970	-14,970
CHAS PENSION											-240,000	-240,000	-240,000
END MONTH PAYROLL 2	-234,336.86	-226,464	-236,476	-579,569	-226,130	-240,000	-240,000	-240,000	-240,000	-240,000	-3,177,137	-3,177,137	-3,177,137
TEACHERS PAYROLL	-2,471,510.26	-2,507,201	-2,525,203	-2,510,625	-2,515,041	-2,600,000	-2,600,000	-2,600,000	-2,600,000	-2,600,000	-990,000	-990,000	-990,000
TEACHERS PENSION	-783,763.63	-1,034,374	-976,147	-989,356	-992,577	-990,000	-990,000	-990,000	-990,000	-990,000	-11,713,659	-11,713,659	-11,713,659
TEACHERS PENSION RETURNS											-55,000	-55,000	-55,000
HOUSING BENEFIT	-5,479,278.20	-5,566,173	-5,562,700	-9,110,052	-5,452,049	-5,600,000	-5,600,000	-5,600,000	-5,600,000	-5,600,000	-5,000,000	-5,000,000	-5,000,000
H BENEFIT RUN FOR MPH	-1,549,855.96	-1,569,592	-1,585,301	-3,089,803	-1,558,807	-1,995,000	-1,600,000	-1,600,000	-1,600,000	-1,600,000	-21,487,050	-21,487,050	-21,487,050
S106 PAYMENTS											-760,000	-760,000	-760,000
INLAND REVENUE	-3,305,648.00	-3,273,045	-3,020,068	0	-3,047,906	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000
PAYROLL PENSIONERS (GF)			0	0	-658,637	-163,115	-180,000	-180,000	-180,000	-180,000	-180,000	-180,000	-180,000
ESTIMATED TOTAL EXPENDITURE	-56,596,880	-56,054,086	-51,639,464	-57,652,453	-56,003,722	-65,872,941	-58,427,233	-54,971,129	-51,133,989	-67,207,996	-690,363,357	-690,363,357	-690,363,357
TOTAL OTHER CREDITS	16,260,601	12,843,840	10,916,076	13,237,593	9,406,607	11,294,191	12,017,371	11,116,931	8,588,711	7,671,471	137,215,515	137,215,515	137,215,515
TOTAL GRANTS	28,235,076	5,912,209	3,930,946	2,155,936	4,305,394	7,720,269	4,806,088	1,959,102	16,954,125	7,294,603	90,266,795	90,266,795	90,266,795
CTX_REC'D VIA ALL P	1,270,592.00	1,030,169	952,501	1,024,201	946,207	1,050,000	1,050,000	970,000	410,000	545,000	11,194,673	11,194,673	11,194,673
COUNCIL TAX D/D	6,128,290.13	6,280,173	6,294,978	6,362,561	6,372,419	6,401,000	6,401,000	6,400,000	1,400,000	500,000	65,338,603	65,338,603	65,338,603
BUSINESS RATES D/D	4,363,552.28	4,341,432	4,490,204	4,514,477	4,634,229	4,300,000	4,300,000	4,300,000	7,100,000	150,000	48,510,190	48,510,190	48,510,190
NET OF WORKS AND PENSION	7,864,667.00	12,970,121	10,428,280	7,141,682	7,167,031	14,867,890	7,100,000	7,100,000	7,100,000	7,100,000	99,601,362	99,601,362	99,601,362
DEPOSITS	15,632,640.00	10,421,760	10,421,760	10,731,720	10,490,640	10,754,720	10,754,720	10,754,720	10,754,720	10,754,720	132,711,480	132,711,480	132,711,480
PUBLIC HEALTH GRANT (DdH)		2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	8,984,600	8,984,600	8,984,600
SCHOOLS PAYROLL PAYMENT	6,622,245.00	6,719,585	6,719,585	6,804,240	6,837,384	6,700,000	6,700,000	6,700,000	6,700,000	6,700,000	81,076,840	81,076,840	81,076,840
WORKS REIMBURSEMENT	0	4,853,139	1,040,315	1,471,996	3,066,941	1,800,000	1,750,000	1,750,000	1,500,000	1,500,000	20,382,390	20,382,390	20,382,390
ESTIMATED TOTAL INCOME	86,177,664	67,625,645	51,914,552	56,043,050	53,870,375	61,617,591	54,879,179	53,107,036	54,507,556	42,465,794	692,286,448	692,286,448	692,286,448
NET INCOME/EXPENDITURE	29,580,784	11,571,559	275,088	-1,609,404	-2,133,347	-4,255,351	-3,548,054	-1,674,226	3,373,567	-24,742,203	1,919,091	1,919,091	1,919,091
Interest on Deposits	6,074	16,783	37,826	44,549	51,606	115,099	8,398	44,708	87,583	5,641	137,835	137,835	137,835
Interest on Long Term Debt	-1,218,630	-76,875	-115,288	-941,347	0	-993,474	-78,875	-114,904	-951,139	0	-981,234	-981,234	-981,234
Interest on Short Term Debt	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000
ESTIMATED TOTAL INTEREST	-1,231,407	-61,092	-78,462	-897,798	-50,606	-1,108,076	-71,477	-71,196	-864,556	-4,641	-844,399	-844,399	-844,399
ESTIMATED TOTAL PREMIUM/DISCOUNT	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED CASH BALANCE	98,592,599	110,103,066	110,299,892	107,792,490	105,709,749	94,706,623	91,087,092	90,821,223	88,282,441	91,660,649	66,074,047	61,922,723	61,922,723
Closing Balance Investments	95,150,000	113,080,000	108,980,000	106,210,000	109,360,000	94,500,000	91,000,000	90,500,000	88,000,000	91,000,000	66,000,000	66,000,000	66,000,000
YEAR END CLOSING CASH BALANCE	70,243,222	8,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	0	0	0	0
Outstanding Temporary Borrowing	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258
Long Term Debt													
Add Estimated New Long Term Borrowing													
Less Debt Repaid in the Year													
ESTIMATED CLOSING LONG TERM DEBT	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258
LIABILITY BENCHMARK	-29,826,258	-11,896,258	-10,996,258	-13,766,258	-10,616,258	-25,476,258	-25,976,258	-26,476,258	-25,976,258	-25,976,258	-50,976,258	-50,976,258	-50,976,258

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