

Merton Council

Cabinet Agenda

Membership

Councillors:

Stephen Alambritis (Chair)
Mark Allison
Caroline Cooper-Marbiah
Nick Draper
Andrew Judge
Edith Macauley MBE
Maxi Martin
Judy Saunders
Martin Whelton

Date: Monday 19 January 2015

Time: 7.15 pm

**Venue: Committee rooms B, C & D - Merton Civic Centre, London Road,
Morden SM4 5DX**

This is a public meeting and attendance by the public is encouraged and welcomed.
For more information about the agenda please contact
democratic.services@merton.gov.uk or telephone [020 8545 3361](tel:02085453361).

All Press contacts: press@merton.gov.uk, 020 8545 3181

Cabinet Agenda

19 January 2015

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Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

Agenda Item 3

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

CABINET
8 DECEMBER 2014
(19.15 - 20.36)

PRESENT Councillor Stephen Alambritis (in the Chair),
Councillor Mark Allison, Councillor Caroline Cooper-Marbiah,
Councillor Nick Draper, Councillor Andrew Judge,
Councillor Edith Macauley, Councillor Maxi Martin,
Councillor Judy Saunders and Councillor Martin Whelton

Ged Curran (Chief Executive), Caroline Holland (Director of Corporate Services), Chris Lee (Director of Environment and Regeneration), Yvette Stanley (Director of Children, Schools and Families), Fiona Thomsen (Head of Shared Legal Services), Simon Williams (Director of Community and Housing), and Chris Pedlow (Senior Democratic Services Officer).

ALSO PRESENT Councillors Brian Lewis-Lavender, Gilli Lewis-Lavender and Peter Southgate

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

No pecuniary declarations were made.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The Minutes of the Meeting of the Cabinet held on the 10 November 2014 were approved as a correct record.

4 FINANCIAL MONITORING OCTOBER (2014/15) (Agenda Item 4)

The Cabinet Member for Finance presented the report which provided the regular monthly financial monitoring update for October. It detailed that the council's overspend had increased from last month's report to an expected end of year forecasted overspend of £4.84million. It was stated that one of the benefits of having the monthly financial reporting allowed Cabinet and officers to track the council's spending and the direction of travel in real time and to plan and make necessary adjustments.

RESOLVED:

That Cabinet:

A) notes the financial reporting data relating to revenue budgetary control,

showing a forecast net overspend at year end of £4.84 million, 2.98% of the net budget, an increase of £0.47m from last month.

B). approves the virement of £226,000 from the OCPB Reserve for the SWLP Procurements costs for Household Recycling and Refuse Collection (HRRC) and for Phase C joint procurement after the contribution from the Transformation Challenge Fund.

C). notes the adjustments in Appendix 5b and approves the £138,180 additional free school meals funding to be met by specific grant.

5 BUSINESS PLAN 2015-19 (Agenda Item 5)

The Leader took item 5 – *Business Plan Update 2015-2019* and item 6 – *Reference from the Overview and Scrutiny Commission - pre decision scrutiny of the Business Plan 2015-19*, together.

The Cabinet Member for Finance presented the Business Plan Update 2015-2019 report, which provided details of revenue savings and income proposals that had been put forward based on previously agreed targets. It was noted that back in April 2014 it was predicted that there would be a £15million budget gap over the next 3 years. The Cabinet Member then provided an update following the Autumn Statement which indicated that the level of savings required would be increased significantly as a result of likely large reduction of Government grants. It now expected that the budgetary gap would be £32million over the next 4 years.

During the discussion the Cabinet confirmed that they would continue to use the 'July principles', as established in July 2011, in prioritising service delivery and achieving savings. It was emphasised that the proposals within the report contained just over half of the £32million, however further tough decision would have to be made.

Councillor Southgate then presented the initial pre decision scrutiny of the Business Plan 2015-19 by the Overview and Scrutiny Commission. In response to the Cabinet asked that when Scrutiny Panels and Commission further considers the Business Plan, that they focus their considerations on finding further saving proposals, in light of the expected financial position.

Councillor Gilli Lewis-Lavender also addressed the Cabinet on the report.

RESOLVED

That Cabinet:

A). agrees the savings/income proposals put forward by officers and refers them to the Overview and Scrutiny panels and Commission for consideration in January 2015 (Appendix 1).

- B). agrees the latest amendments to the draft Capital Programme 2015-2019 which was considered by Cabinet on 20 October 2014 and on 10 November 2014, and scrutiny in November 2014.
- C). agrees the Council Tax Base for 2015/16 set out in paragraph 2.6 and Appendix 3.
- D). has considered the proposed deferral of a saving previously agreed. (Appendix 5)
- E). has considered the latest drafts of the service plans.(Appendix 10)

6 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION - PRE DECISION SCRUTINY OF THE BUSINESS PLAN 2015-19 (Agenda Item 6)

RESOLVED:

That the Cabinet, in taking decisions relating to the Business Plan 2015-19, will take into account the comments and recommendations made by the Overview and Scrutiny Commission and the outcomes of consideration by the Overview and Scrutiny Panels.

7 WEST BARNES LIBRARY CONSULTATION RESULTS (Agenda Item 7)

The Cabinet Member for Community and Culture presented the report that detailed the results of the consultation on the proposed redevelopment of West Barnes Library. It was emphasised that of the 427 responders to the consultation, only 13 were opposed to the proposed approach for the new Library.

Councillor Gilli Lewis-Lavender also spoke on this item in support of the recommendations.

RESOLVED:

That Cabinet:

- A). reviewed the consultation undertaken in anticipation of a proposed development of the West Barnes Library site.
- B). approves the next steps in the development process as outlined in sections 1.7-1.9 and 5 of the reports

8 EXCLUSION OF THE PUBLIC (Agenda Item 8)

RESOLVED

That the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s).

9 DUNDONALD PRIMARY SCHOOL EXPANSION FINAL PHASE
CONSTRUCTION CONTRACT (Agenda Item 9)

The Cabinet Member for Education presented the report that sought approval for the construction contract for the main phase of expansion for Dundonald Primary School. The Cabinet Member commented that the proposed expansion had been a long running process, and he was pleased to finally be able to agree the construction contract. It was also noted that value for money had been achieved through the tendered process, as the recommended contract had come in under the expected valuation.

The Cabinet asked that their condolences be recorded and pass to the family of the late Chair of Governors at Dundonald Primary, Duncan Russell, who sadly passed away recently.

RESOLVED:

That Cabinet approves the construction contract as detailed within exempt Appendix A to the report, to carry out the main phase of the construction works to the Dundonald Recreation Ground and Primary School to allow for the expansion of Dundonald Primary School.

10 EXPANSION OF PERSEID SCHOOL (Agenda Item 10)

Councillor Southgate in his capacity as Chair of the Overview and Scrutiny Commission, has approved the use of Section 15 - Special Urgency, and Section 17 - Exempt Urgency procedures for this decision, and acknowledged that the use of the latter procedure exempts the decision from call-in.

The Cabinet Member for Education presented the report that proposed an increase in the prescribed alteration for Perseid School by an additional 28 places for September 2015. The report also sought approval for the awarding of a construction contract for expansion work at Perseid School, aligned to the increased pupil numbers

RESOLVED:

That Cabinet:

- A). approves the proposals for a prescribed alteration to expand Perseid School from 112 places plus nursery to 140 places plus nursery from September 2015.
- B). notes that the reason for this decision is to provide special educational needs (SEN) school places in the local area and the expansion of Perseid School provides

good value for money. Perseid was rated by Ofsted as “Outstanding” and the council’s Head of Education was satisfied that the leadership of the school has the management capacity to continue to raise standards while the school expands.

C). agrees to award the construction contract to R Durtnell & Sons Ltd, for the contract value as detailed within Appendix A to the report, to carry out the construction works at Perseid School.

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Committee: Cabinet

Date: 19 January 2015

Wards: Lavender Fields

Subject: Waste Collection, Street Cleaning and Recycling Opportunities

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Judy Saunders, Cabinet Member for Environmental Cleanliness and Parking

Contact officer: Cormac Stokes, Head of Street Scene and Waste

Recommendations:

- A. To agree the proposal for the implementation of a pilot wheeled bin scheme for the provision of the weekly collection of general waste and dry recycling to cover a sample of 1200 households within the Lavender Fields Ward, to be carried out over a period of six months commencing in April 2015, in order to test the benefits or otherwise of this method of collection
- B. To request the Sustainable Communities Overview and Scrutiny Panel consider an officer report setting out the findings of the pilot and to ask Scrutiny to assess whether it offers opportunities to improve street cleanliness and ensure value for money for council tax payers
- C. To delegate to the Director of Environment & Regeneration, in consultation with the Cabinet Member for Street Cleanliness and Parking, the decision of where to implement the pilot scheme within Lavender Fields ward

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report aims to set out the current operating model of the recycling collection services, within the context of the overall waste service together with performance achieved against key indicators. The report demonstrates the impact of the whole Street Scene and Waste collection service and collection policy on levels of recycling.
- 1.2. The report highlights the correlation between the level of street litter in domestic areas and the collection method used to contain the different waste streams.
- 1.3. The report shows that recycling performance has remained relatively static for the past 2-3 years despite educational and awareness raising interventions, including financial incentives and recommends testing the benefits or otherwise of an alternative operating model designed to increase recycling, increasing income from recyclables and reduce the council's reliance on landfill and waste treatment, delivering significant cost savings as a result.
- 1.4. On the basis of the current evidence the report recommends the introduction of a small wheeled bin pilot covering approximately 1,200 households to determine better the potential benefits and opportunities for the cleanliness of our streets and value for money for council tax payers.

- 1.5. The pilot will assist in determining whether or not the assumed benefits — as set out in the report — can be realised and whether this approach demonstrates value for money in the long term.
- 1.6. The report requests that the Sustainable Communities Overview and Scrutiny Panel be asked to consider the findings of the proposed pilot and contribute to the review of the outcomes based on their findings and considerations.

2 DETAILS

2.1. Current operating model

2.1.1 Street Cleaning - the current establishment for all street cleaning activities across the borough is 103 staff. This covers street sweeping, mechanical sweeping, emptying bins/collecting litter sacks. In addition to these tasks the service also provides graffiti removal, gulley cleansing, weed removal, bulk leaf removal, fly tip removal and ancillary activities.

2.1.2 Residents are currently provided with three kerbside collections each week for residual waste, recyclables and food waste. Residents also have the opportunity to subscribe to a fortnightly garden waste collection service.

Kerbside Collection Service	Collection frequency	Container	Number of households (est.)
Refuse	Weekly	Sacks (single use - householder supplied)	68,000 H/Holds 13,000 Flats
Co-mingled Recycling	Weekly	55 litre kerbside box(s) collected using slave bins	68,000 H/Holds 13,000 Flats
Food waste	Weekly	104 liners a year (2 per week) for 5 litre caddies. Waste presented in 23 litre caddies.	68,000 H/Holds 12,000 Flats
Chargeable garden waste	Fortnightly	240 litre wheeled bin and option for compostable single use sacks	5,600

2.1.3 Recycling - At present the service utilises 9 compaction vehicles to provide a weekly co mingled kerbside recycling collection from the 81,000 households across the borough, working a standard Monday to Friday working pattern. 2 collection crews are used to collect from the borough's 13,000 flats. In these locations bulk wheeled bins are provided by the Managing Agents, who historically recharge this cost back to their tenants. An additional crew is used to undertake collection from areas with restricted access. The remaining 6 crews serve the remaining 68500 households. In total 9 crews totalling 31 staff are used to undertake a weekly recycling collection.

2.1.4 General waste - collections are undertaken weekly utilising 7 compaction vehicles. A further 2 vehicles are used to collect from flats and is supported by a further crew who undertaken collections from areas of restricted

access. In total 10 vehicles with 35 staff members are engaged in the collection of residual waste. The service also provides a bulky waste service which is collected by 2 additional crews.

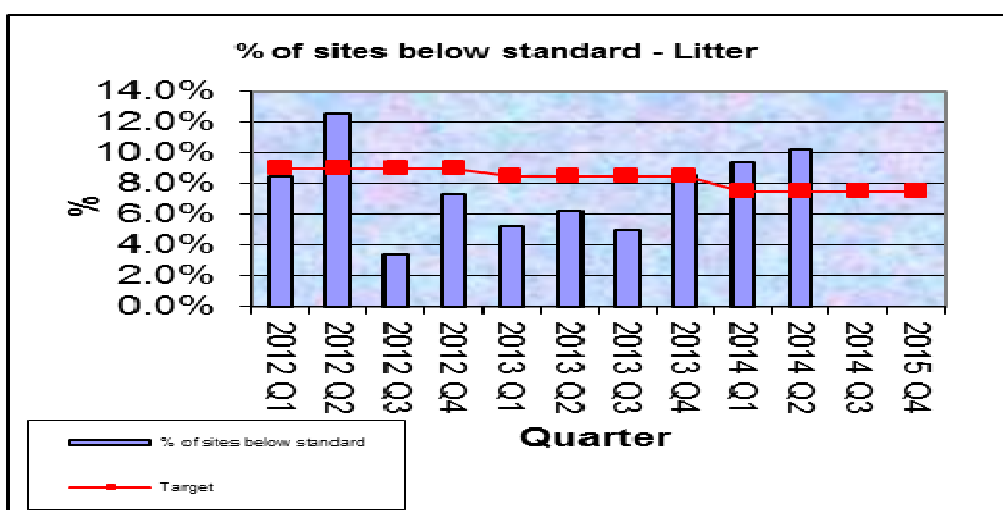
2.1.5 The council provides 55ltr boxes for dry recycling with many properties presenting between 2-3 boxes each week for collection, totalling between 110ltr – 165ltr capacity.

2.1.6 The box system was originally introduced for the collection of newspapers and magazines. A second box was provided when the materials collected extended to cardboard, glass bottles and jars, drinks cans and plastic bottles. Since then the council has introduced further materials to the collection service including a wider range of plastic containers and packaging. It is clear that boxes are not sufficient for this wide range of materials.

2.1.7 All dry recycling is co mingled in the council’s box collection service. These boxes are emptied by the crews into a wheeled bin which is then emptied into the back of the collection vehicle using a hydraulic lift. The materials are delivered to the Viridor Waste Transfer Station for bulking and onward transport to a Materials Recycling Facility in Crayford Kent for sorting and onward marketing.

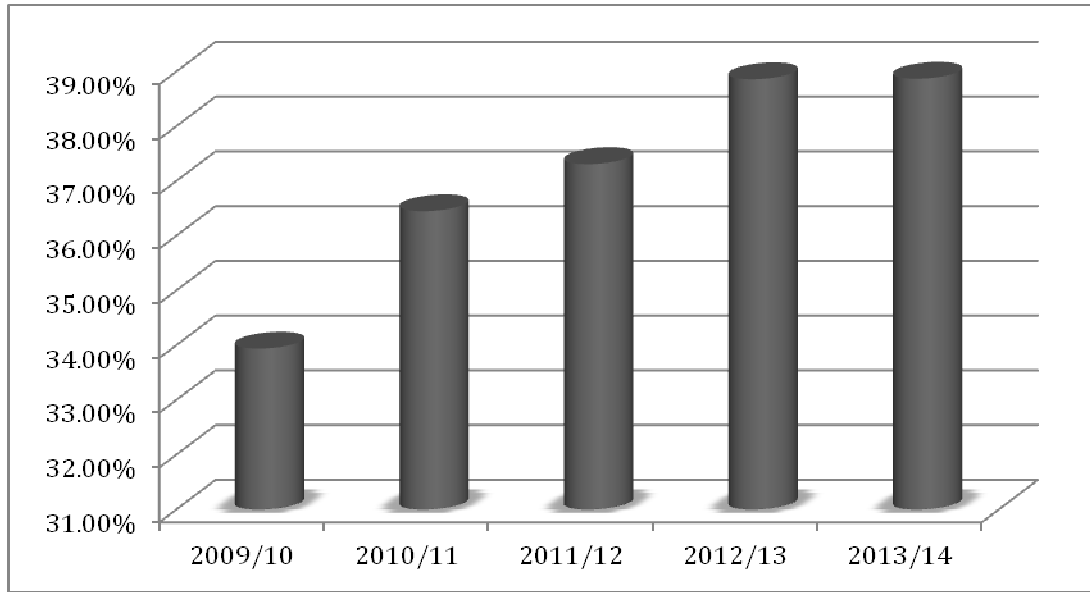
2.2. Service performance

2.3. As can be seen in the table below the level of street litter fluctuates seasonally. Overall this year 9.8% of sites surveyed were found to be below the service standard of 7.5%.



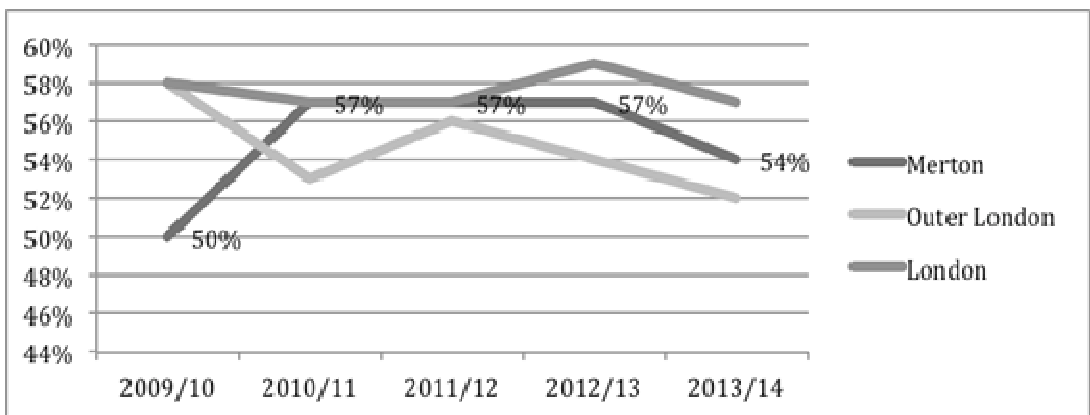
2.3.1 Over the last 3 years the council’s recycling performance has remained static at 38.8%. 21% of this recycled waste can be attributed to the kerbside collection service, with a further 6% collected through other recycling services (Bulky waste collection, HRRC) and 11% from organic waste. The table below sets out recycling performance over the past five years.

Annual recycling rate 2009-2014

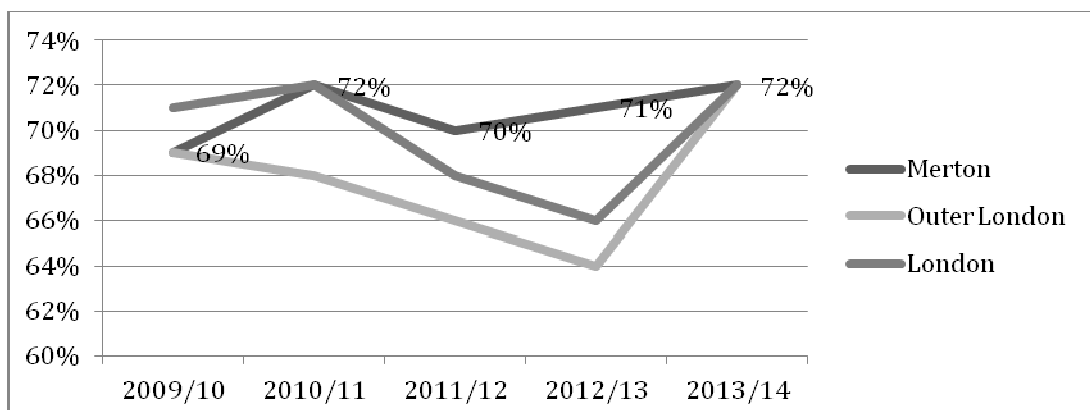


2.3.2 Each year the council undertakes a resident satisfaction survey. The tables below sets out levels of satisfaction with refuse collection, recycling facilities and street cleaning over the past five years and provides comparison with London as a whole and Outer London Boroughs.

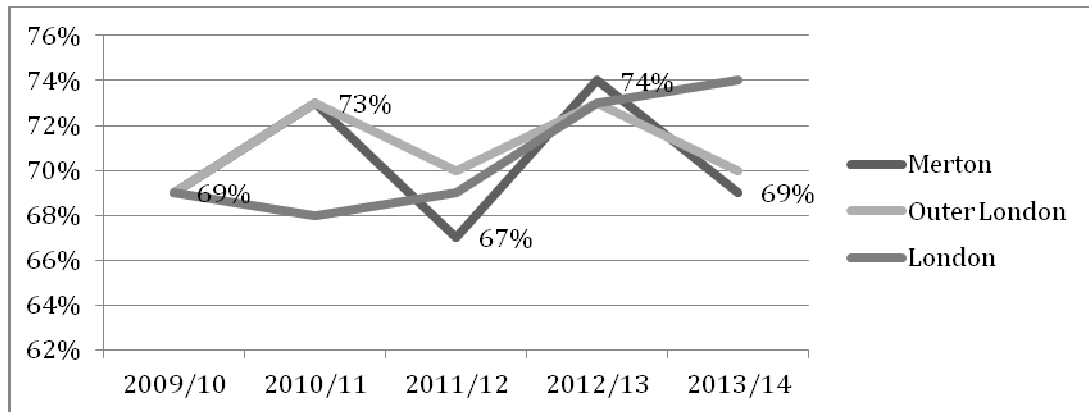
Residents satisfied with Street Cleaning



Residents satisfied with Refuse collection



Residents satisfied with recycling facilities



- 2.3.3 The survey also confirms that residents continue to be concerned about people who litter our streets. However, 60% of residents say that they are satisfied with the way the council deals with litter. Nonetheless, concerns about people littering in the streets have risen in recent years with residents more dissatisfied than the London average.
- 2.3.4 Research carried out by the Tidy Britain Group on behalf of the council in 2010 indicated that as much as 50% of all street waste arisings in residential roads can be attributed to the black sack and box collection schemes operated within Merton.
- 2.3.5 In April 2014 the service commissioned MEL Research Ltd to undertake a waste composition analysis of our kerb side collections. Significantly the findings suggest that 60% of Merton's residual waste is of a type that could have been recycled. This compares to only 23% in Sutton.
- 2.3.6 In 2013 the authority commissioned Waste Watch (part of Keep Britain tidy) to monitor the Household participation of the kerbside recycling service. The aim of this survey was to establish the participation rate for the kerbside recycling and food collection service.
- 2.3.7 In total 26,301 households were monitored for the food waste collection and 27,486 properties monitored for dry recycling over three collection opportunities. The results showed that approximately 52.8% of households were engaged in setting out their food waste at least once over the three-week period and 79.6% of households set out dry recycling for collection.
- 2.3.8 Key conclusions that can be drawn from this research is that take up of the food waste service is very low. As a result much food waste is set out for collection within black sacks, thereby minimising the potential positive impact on reducing spillage through vermin attacks. Secondly, despite relatively high participation in the dry recycling service, a significant amount of targeted recyclable materials remain with black sacks, suggesting that whilst residents are willing to recycle the current receptacles used are not fit for purpose.

2.4. Progress made to increase recycling

- 2.4.1 In order to increase recycling and reduce disposal cost a food waste service was introduced in 2007. This was expanded borough wide over 7 phases between 2007 - 2012. In May 2007 a food waste trial was introduced for 1,800 households. This was increased to 8,200 in June 2009. Following a successful bid to WRAP for £300,000 the food waste service was rolled out to a further 30,000 households in February 2010. This was further increased in March 2010 by an extra 10,000 households. By 2011 the total number of households provided with a food collection service had increased to 50,000. Over 6 tranches between May – June 2012 the food waste collection was expanded to incorporate collections from flats.
- 2.4.2 To increase participation in the recycling scheme and generally increase recycling, the council launched the Mega Recycling Incentive Scheme. The scheme is being funded by a £650K grant from the Department of Communities and Local Government's Waste Collection Support Scheme. This is a web-based interactive scheme which engages with residents by offering the opportunity of rewards. The scheme has been heavily promoted through printed media, including posters, leaflets, JC Decaux, and press. Recycling advisors commissioned by the council have knocked on every door in the borough and have carried out face to face talks with over 30,000 residents.
- 2.4.3 To date 6,526 households have signed up to the scheme and an additional 3,853 new recycling boxes have been delivered to residents wishing to start recycling. This has been further supported by the request of 1,587 kitchen caddies and 1,803 outside caddies.
- 2.4.4 Disappointingly despite these initiatives our recycling performance has remained static over the past two years.

3 FACTORS FOR CONSIDERATION

- 3.1. Due to reductions in our funding from central government the council needs to find £32m of savings over the coming years. There are current proposals within the service to look for efficiencies and drive down revenue costs whilst maintaining the acceptable standards of street cleaning. Achieving value for money must therefore be of paramount concern in relation to our refuse and recycling service.
- 3.2. The refuse and recycling service was comprehensively reviewed by Scrutiny in 2010/11 with a report on Efficient Household Waste Management and the Environment published in May 2011. This report recommended "that the Director of Environment and Regeneration keeps abreast of technological developments in order to identify opportunities for changing waste collection and disposal methods so that greater value for money may be achieved, as well as meeting environmental and waste minimisation objectives."
- 3.3. Since 2011 there have been a number of technological and other changes and there are opportunities to increase value for money for the service by increasing our recycling rate, which would reduce spend on landfill and increase income from the sale of recyclables.

- 3.4. Current policy does not restrict the number of black sacks which can be presented for collection. In effect the council is significantly restricting capacity for the storage of recyclables — through the provision of small 55 litre boxes — whilst providing unlimited capacity for residual waste.
- 3.5. During adverse wet weather our recycling material is subject to contamination due to wet paper which can result in the entire collection being rejected and sent to landfill. A single dustcart can carry up to 8 tonnes of recyclables. If a load were rejected due to wet paper and sent to landfill, this costs the council between £736 and £856.
- 3.6. In October 2014 over 170 tonnes of wet paper was rejected and sent to landfill. It is anticipated that this level of rejection will continue over the next 3 months resulting in approximately 684 tonnes of wet paper being disposed of the landfill. This will result in a loss of c£10k revenue for the sale of this material and increased the cost of disposal by a further c£60k
- 3.7. From 2015 there is a legal issue with collecting materials in a commingled form. The European Union Directive 2008/98/EC on waste, the Revised Waste Framework, has specified that by January 2015 there is a requirement to collect glass, paper, metal and plastics separately, unless it can be shown that the current collection method is the most Technologically, Environmentally and Economically Practicable (TEEP)
- 3.8. It has been clarified in EU guidance notes that 'Technically practicable' means that the separate collection may be implemented through a system which has been technically developed and proven to function in practice. 'Environmentally practicable' should be understood such that the added value of ecological benefits justifies possible negative environmental effects of the separate collection (e.g. additional emissions from transport). 'Economically practicable' refers to a separate collection which does not cause excessive costs in comparison with the treatment of a non-separated waste stream, considering the added value of recovery and recycling and the principle of proportionality.
- 3.9. Officers have assessed the current operational model and have confirmed that the current service and proposed pilot methodology represents the most Technically, Environmentally and Economically practicable method at present.
- 3.10. Given a successful track record of joint working the South London Waste Partnership boroughs are considering opportunities for further joint working, principally around waste collection, street cleaning and parks' services. The principle of a shared procurement was agreed by Cabinet on Monday 10th November. It is anticipated, based on soft market testing that a joint procurement could generate savings of at least 10% on the costs of collection through lower service costs and deliver further benefits through increased recycle revenues.

4 SUMMARY OF PROPOSAL

- 4.1. In order to maintain and potentially improve standards of cleanliness and step up levels of recycling, it is recommended that the council tests the potential benefits and disbenefits of the provision of appropriate containers with sufficient capacity to store recyclables. It is proposed that further work

be carried out to explore the potential benefits of wheeled bins through a pilot scheme covering a range of properties (approximately 1,200 – 1,400), based on a single round on a single day.

- 4.2. There are a number of expected advantages associated with the use of wheeled bins but the rationale of the pilot will be to test these expected benefits and to assess whether there are any disbenefits, with a particular focus on value for money. The expected benefits the pilot would test include:
- Cleaner streets through less wind-blown litter and reduced risk of animal attack and spillage from sacks
 - Positive environmental impact through increased recycling as a result of increased container capacity
 - Improved appearance: neater curtilage with single bin rather than multiple boxes
 - Weather resistant and improved quality of recycle
 - Improved working conditions for collection operatives and potential for reduced levels of sickness
 - Greater life span of containers and therefore reduced cost per litre of storage capacity
 - No requirement to adapt refuse collection vehicles as they are designed to pick up wheeled bins
 - Improved efficiency and greater productivity per litre of recycle collected
- 4.3. The proposed pilot will assist in determining the quantum of these benefits and assess whether or not the approach delivers value for money in the long term.
- 4.4. Each household in the pilot area will receive two wheeled bins, one for recycling and one for residual waste.
- 4.5. The introduction of a single 240ltr wheeled bin will increase the capacity to recycle whilst maintain the same footprint of required space.
- 4.6. To encourage recycling and limit residual waste it is proposed to provide a 180 Litre wheeled bin for this waste stream. This equates to approximately 2.5 standard sized dust bins.
- 4.7. The service acknowledges that a small percentage of households would not be suitable for a wheeled bin and in these areas the current box container will continue to be an option along with black sacks for the general waste. This will be a matter to be determined by the council as the Waste Collection Authority, in consultation with residents in the pilot area.
- 4.8. The implementation of the proposed pilot scheme would inform the appraisal of all future options with respect to waste management and maintaining clean streets. As part of this process residents in the pilot area will be consulted in order to understand the impacts, both positive and negative of the collection process. This will inform the learning from the pilot.
- 4.9. It is proposed that the initial pilot is carried out within the Lavender Fields ward, primarily as this area consists of a range of different types of dwellings

including terraced housing, flats and maisonettes and where there are minimal properties which would have a storage issue for wheeled bins. The area also reflects the need to consider levels of heavy footfall, outside of town centres and shopping areas which impacts on the level of street litter. Independent cleansing inspections and annual resident survey results also indicate that there is a need for interventions to improve standards and perceptions of cleanliness. There are also opportunities to incentivise additional levels of recycling as current participation rates are relatively low.

- 4.10. Officers are currently reviewing waste rounds to determine the most appropriate roads to be covered for a pilot scheme. It is advised that the final decision for the pilot should be taken by the Director of Environment and Regeneration in consultation with the Cabinet Member for Street Cleanliness and Parking.

5 ALTERNATIVE OPTIONS

- 5.1. The “do nothing” option is unlikely to provide any real analysis of options to achieve the overarching objectives of maintaining clean streets, maximising recycling and reducing our reliance on expensive landfill or other waste treatment services in a sustainable and cost effective manner. Furthermore, doing nothing will not allow us to assess options for improving the standard of cleanliness of Merton’s streets in the context of decreasing levels of council resources.
- 5.2. The way we store and collect waste needs to be improved. Following the review of disposal contract with Viridor the council now receives revenue for recyclable material. This income is dependent on the quality of the material recycled and the composition. Currently the quality of the material is negatively affected due to wet paper. A do nothing option is not considered viable in the long term and will restrict the service from moving forward in increasing recycling.
- 5.3. Alternative areas of the borough have been considered for the proposed pilot but it was felt that Lavender Fields provided the best opportunity for testing assumptions with respect to the potential benefits of the pilot and the disbenefits.

6 CONSULTATION UNDERTAKEN OR PROPOSED

- 6.1. Consultation will be carried out as part of the pilot. High levels of participation can only be achieved if residents in the pilot area are engaged using effective communication tools.
- 6.2. It is proposed that Officers will report to the Sustainable Communities Overview and Scrutiny Panel in the first instance requesting the Panel consider the findings of the pilot and contribute to the final review to be reported to Cabinet following the completion of the proposed pilot.

7 TIMETABLE

- 7.1. It is envisaged that once approval has been given, final detailed research and mobilisation for the proposed pilot scheme proposed could be completed within 2-3 months.

8 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 8.1. The pilot scheme would require a capital outlay of £48,000 for the procurement of bins. No provision exists for this scheme in the current Capital Programme and a new scheme would have to be created. The funding for this will be met by an underspend in Traffic and Highways, on bridges and structures. The scheme would need to be approved by the Director of Corporate Services and the Director of Environment and Regeneration and would be noted as an adjustment to the Capital Programme by Cabinet as part of the Monitoring Report.
- 8.2. The pilot scheme would also incur a revenue requirement of £67,000, which consists of two additional vehicles, each with a crew of three (one driver and two loaders). The funding for this would come from the £650,000 DCLG fund for the Mega Recycle project.
- 8.3. It is envisaged that the proposed pilot will run for a period of 6 months providing a weekly wheeled bin collection service for 1,200 households. The aim of this pilot scheme would be to accurately assess the participation rates and any impact on additional recycling and any contamination levels and whether wheeled bins offer opportunities to improve the cleanliness of the borough while ensuring value or money for council tax payers.
- 8.4. In order to minimise disruption to the service it is advised that the 1,200 households are contained to one geographical area allowing for the same day of collection to be maintained.
- 8.5. No assumptions have been made with respect to any additional recycling and the associated financial benefits. This will be tested as part of the pilot scheme.
- 8.6. Summary of Pilot scheme costings

	Cost	Description	Funding Source
Revenue Cost	£67,000	Additional Labour and vehicle hire	DCLG bid for Mega recycling
Capital cost (bins)	£48,000	Procurement of 2,400 bins	Funded from underspend within Environment and Regeneration Capital programme
Net Total	£115,000		Fully Funded

9 LEGAL AND STATUTORY IMPLICATIONS

- 9.1. Section 45 of the Environmental Protection Act 1990 imposes a duty upon each waste Collection Authority (WCA) to arrange for the collection of household waste in its area. No charge can be made for performing that service. Section 46 allows the WCA by notice on the occupier to require occupiers to place household waste for collection in receptacles of a kind and number specified in the notice. The kind and number of these receptacles are to be 'reasonable' but may require separate receptacles for those parts of the household waste which are to be recycled from those parts which are not. The WCA can also determine whether the receptacles are to be provided free of charge by the WCA or to be provided by the WCA upon a single or periodical payment from the occupier, or are provided by the occupier. Once proper notice has been given to the occupier and the notice period of 21 days has expired without appeal the placing of household waste outside these receptacles without reasonable excuse constitutes an offence.

10 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 10.1. No two areas are the same due to varying social demographics leading to the need to tailor the service provision. We acknowledge the genuine differences in households' circumstances and are not proposing a one size fits all solution. It will be necessary to vary the scheme.
- 10.2. For example there are a number of flats above shops where there would be nowhere to store a wheeled bin. In these locations the service provides coloured sacks for recycling and a different coloured sack for general waste.
- 10.3. The service will continue to provide an 'assisted collection' and will work with these households in the trial area to agree a suitable solution.

11 CRIME AND DISORDER IMPLICATIONS

- 11.1. It is anticipated that the level of street litter and fly tipping will be reduced in the pilot area.

12 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 12.1. Appropriate risk assessments will be undertaken when designing the pilot schemes and these will be reviewed as necessary once operations commence to ensure good practice standards are adopted for the health and safety of operatives.
- 12.2. It is anticipated that wheeled bins could significantly reduce the level of manual handling required by the operatives, with less lifting involved. With the waste being contained there is less risk of glass and sharps related injuries. As a result there would be an anticipated improvement in levels of sickness. The service currently runs with a sickness level of 16 days per

staff member and has targets to reduce this down to 10 days per person. In achieving this, the service has put forward savings in agency cost of c£100k.

- 12.3. Our recycling crews are one of our greatest assets and a well managed and motivated crew are critical in managing a high profile service. Crews operating in the pilot area will need to be trained. Collection procedures will need to be approved and all staff working in the pilot area made aware of these procedures and policies.

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

- None.

14 BACKGROUND PAPERS

- 14.1. M-E-L – Kerbside waste composition Analysis
- 14.2. Waste Watch Participation Survey 2013

Committee: Cabinet

Date: 19 January 2015

Wards: All

Subject: London Councils Grants Scheme
Subscription for 2015/16

Lead officer: Paul Dale, AD Resources

Lead member: Councillor Edith Macauley, Cabinet Member for Community
Safety, Engagement and Equalities

Contact officer: Amanda Roberts, Policy, Strategy and Partnerships Officer
(020 8545 4685 / amanda.roberts@merton.gov.uk)

Recommendations:

- A. That Cabinet approves the council's contribution to the London Councils Grants Scheme 2015/16 as per the subscription set by London Councils Leaders' Committee on 9 December 2014;
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The London Councils Leaders' Committee has set a revised budget for the London Councils Grants Scheme (LCGS) for 2015/16. The LCGS is governed by statute which requires the budget to be approved by two thirds of London boroughs by 31 January 2015.
- 1.2 This report seeks Cabinet's approval for Merton's contribution to the LCGS for 2015/16, which the London Councils Leaders' Committee has determined should be £217,275. This can be met within existing resources.

2 DETAILS

- 2.1 The LCGS funds a range of services across London with financial contributions from all London boroughs. The budget for the grants scheme is determined by the London Councils Leaders' Committee and boroughs are asked to confirm their contributions each year.
- 2.2 In 2014/15 Merton's contribution was made up of a base subscription level of £219,054 offset by a one-off injection of funds from London Councils' grants reserves of £19,471. This meant that the cost to Merton was £199,582. It was noted at the time that it was anticipated that the contribution would revert to the base subscription level in 2015/16.
- 2.3 For 2015/16 the London Councils Leaders' Committee has determined that Merton's contribution should be £217,275. This represents a reduction in Merton's base subscription level of £1,779, however as additional funding has not been applied by London Councils it will mean that Merton's contribution will increase by £17,693 in 2015/16, compared with 2014/15.

- 2.4 Although Merton will contribute a higher sum to the LCGS in 2015/16 than it did in 2014/15 officers had anticipated that London Councils would not call on reserves in 2015/16 and maintained the base budget for this subscription. With this in mind, the £217,275 subscription for 2015/16 can be met within existing resources, and Cabinet is therefore recommended to approve Merton's contribution in line with the decision of the London Councils Leaders' Committee.

3 ALTERNATIVE OPTIONS

- 3.1 Merton could decide not to approve the proposed contribution. However, if at least two thirds of London boroughs approve the budget it will apply to all councils.
- 3.2 If at least two thirds of constituent councils do not agree the revised budget within the timescales, then the subscription levied for 2014/15 (£219,054) will apply in 2015/16.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 The London Councils Leaders' Committee approved the overall revenue budget for London Councils for 2015/16 and the level of borough subscriptions and charges for the year on 9 December 2014, including those relating to the LCGS.
- 4.2 A circular setting out individual borough subscriptions and charges to be levied in 2015/16 was sent to Chief Executives on 12 December 2014, and is attached to this report as Appendix I.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 5.1. The subscription for 2015/16 can be met within existing resources.

6 LEGAL AND STATUTORY IMPLICATIONS

- 6.1 The LCGS is governed by statute which requires at least two thirds of London boroughs to approve the budget in order for the budget to apply to all councils. If at least two thirds of constituent councils do not agree the revised budget within the timescales, then the subscription levied for 2014/15 £219,054 will apply for 2015/16.
- 6.1. The LCGS can only be revoked if a majority of the member councils so decide. In such circumstances the revocation would take effect from the end of any financial year after that in which the decision to revoke is made. The Council cannot, therefore, unilaterally withdraw from the scheme and is bound to make a contribution to the scheme in 2015/16.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 7.1. None for the purposes of this report.

8 CRIME AND DISORDER IMPLICATIONS

- 8.1. None for the purposes of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

9.1. None for the purposes of this report.

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

- Appendix I: London Councils Grants Budget – Borough Contributions 2015-16

11 BACKGROUND PAPERS

11.1. None.

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Grants Committee Income and Expenditure Budget 2015/16

Expenditure	Revised Budget 2014/15 £000	Developments £000	Inflation £000	Original Budget 2015/16 £000
Payments in respect of Grants				
London Councils Grants Programme	7,540	-35	0	7,505
Membership Fees to London Funders (for all boroughs)	60	0	0	60
European Social Fund Co-Financing	1,880	500	0	2,380
Sub-Total	9,480	465	0	9,945
Operating (Non-Grants) Expenditure				
Contractual Commitments				
External audit fees	2	0	0	2
CoL Finance/Payroll/Legal SLA	13	0	0	13
GLE ESF Management Fee	0	0	0	0
Maintenance of GIFTS Grants IT system	10	0	0	10
	25	0	0	25
Salary Commitments				
Officers	321	25	3	349
Members	19	0	0	19
Maternity provision	10	0	0	10
	350	25	3	378
Discretionary Expenditure				
Staff training/recruitment advertising	6	0	0	6
Staff travel	2	0	0	2
Supplies and service	39	3	0	42
Research	12	-12	0	0
	59	-9	0	50
One-off payment to boroughs	800	-800	0	0
Total Operating Expenditure	1,234	-784	3	453
Central Recharges	86	16	0	102
Total Expenditure	10,800	-303	3	10,500
Income				
Core borough subscriptions				
Contribution to grant payments	8,600	0	0	8,600
Contribution to non-grants expenditure	400	0	0	400
	9,000	0	0	9,000
Other Income				
ESF Income	1,000	250	0	1,250
	1,000	250	0	1,250
Transfer from Reserves	800	-550	0	250
Central Recharges	0	0	0	0
Total Income	10,800	-300	0	10,500
Net Expenditure	0	3	-3	0

Borough Subscriptions 2015/16

ONS Mid-2012 Estimate of Population ('000)	%	2014/15 Base Borough Contribution (£)		ONS Mid-2013 Estimate of Population ('000)	%	2015/16 Base Borough Contribution (£)	Base Difference from 2014/15 (£)
Inner London							
224.96	2.71%	243,687	Camden	229.70	2.73%	245,610	1,923
7.60	0.09%	8,233	City of London	7.60	0.09%	8,126	-106
260.07	3.13%	281,720	Greenwich	264.00	3.14%	282,286	566
252.12	3.03%	273,108	Hackney	257.40	3.06%	275,229	2,121
179.85	2.16%	194,822	Hammersmith and Fulham	178.70	2.12%	191,078	-3,744
211.05	2.54%	228,619	Islington	215.70	2.56%	230,640	2,022
155.93	1.88%	168,910	Kensington and Chelsea	155.60	1.85%	166,378	-2,533
310.20	3.73%	336,023	Lambeth	314.20	3.73%	335,963	-60
281.56	3.39%	304,998	Lewisham	286.20	3.40%	306,024	1,025
293.53	3.53%	317,965	Southwark	298.50	3.55%	319,175	1,211
263.00	3.17%	284,893	Tower Hamlets	272.90	3.24%	291,802	6,909
308.31	3.71%	333,975	Wandsworth	310.80	3.69%	332,327	-1,648
223.86	2.69%	242,495	Westminster	226.80	2.69%	242,509	14
2,972.04	35.77%	3,219,447		3,018.10	35.86%	3,227,147	7,700
Outer London							
190.56	2.29%	206,423	Barking and Dagenham	194.40	2.31%	207,865	1,442
363.96	4.38%	394,258	Barnet	369.10	4.39%	394,666	408
234.27	2.82%	253,772	Bexley	236.70	2.81%	253,095	-677
314.66	3.79%	340,854	Brent	317.30	3.77%	339,278	-1,576
314.04	3.78%	340,182	Bromley	317.90	3.78%	339,919	-263
368.89	4.44%	399,598	Croydon	372.80	4.43%	398,622	-976
340.67	4.10%	369,029	Ealing	342.50	4.07%	366,223	-2,806
317.28	3.82%	343,692	Enfield	320.50	3.81%	342,699	-993
258.91	3.12%	280,463	Haringey	263.40	3.13%	281,644	1,181
242.38	2.92%	262,557	Harrow	243.40	2.89%	260,259	-2,298
239.73	2.89%	259,686	Havering	242.10	2.88%	258,869	-817
281.76	3.39%	305,215	Hillingdon	286.80	3.41%	306,665	1,450
259.05	3.12%	280,615	Hounslow	262.40	3.12%	280,575	-40
163.91	1.97%	177,555	Kingston upon Thames	166.80	1.98%	178,353	799
202.22	2.43%	219,054	Merton	203.20	2.41%	217,275	-1,779
314.08	3.78%	340,226	Newham	318.20	3.78%	340,240	14
284.62	3.43%	308,313	Redbridge	288.30	3.43%	308,269	-44
189.14	2.28%	204,885	Richmond upon Thames	191.40	2.27%	204,657	-228
193.63	2.33%	209,749	Sutton	195.90	2.33%	209,469	-280
262.57	3.16%	284,428	Waltham Forest	265.80	3.16%	284,211	-217
5,336.33	64.23%	5,780,553		5,398.90	64.14%	5,772,853	-7,700
8,308.37	100.00%	9,000,000	Totals	8,417.00	100.00%	9,000,000	0

Committee: Cabinet

Date: 19 January 2015

Wards: All

Subject: Annual Residents' Survey: Key Messages

Lead officer: Ged Curran, Chief Executive

Lead member: Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance

Recommendations:

A. That Cabinet note the results of the Annual Residents' Survey 2014

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This paper reports the results of the Annual Residents' Survey 2014, highlighting key messages and findings. The results are displayed graphically in the presentation charts that can be found on the council's website.

2. BACKGROUND

2.1 The Annual Residents' Survey (ARS) is Merton's principal survey of local residents. It elicits information on local people's concerns and their perceptions of local services, the image of the Council and a host of local issues.

2.2 The survey is conducted with more than 1,000 adults and ensures that key groups within our local population – segmented by age, ethnicity, gender, tenure, residence, and family composition – are broadly represented in the sample of respondents. The survey is conducted by TNS-BMRB, a company commissioned by the Council. The Council also buys into a London-wide survey to provide comparative data for the core questions in the survey. Interviews take place in homes and public places. In addition, a specific survey of 200-250 young people aged 11 – 17 is carried out.

2.2 The survey was conducted in September and October 2014. This closely reflects the timetable for the results for the London wide survey and the timetable in previous years, which is useful for comparison.

2.3 The results have been tested for statistical significance to ensure that changes reflect public perceptions and are not anomalies. Changes quoted as significant have passed this validation.

Highlights from the 2014 results

2.4 The 2014 Annual Residents' Survey results are in line with or better than the 2013 survey, which recorded some of the Council's best ever results. Among the findings are:

- The number of people saying that the Council is efficient and well run is at a record high, 72%, up 2% on last year, which was also a record high.
- The council has beaten its highest ever Value for Money score of last year (56%) with 57% this year.
- 79% agree that Merton is doing a good job, the same as 2012 and 2013; the only year in which the score has been bettered was 2011.
- The number of people saying that the council is doing a better job than one year ago is up by 4% to 47%.
- Respondents are asked to identify three issues that are a concern to them. The number saying that council tax is a concern has fallen by 3% to an all time low of 19%.
- Satisfaction with the way the Council deals with litter has risen 1% to 61%. The proportion rating the Council street cleaning service as good to excellent remains at 54%, consistent with the trend of higher scores since 2010. The number of people saying they are concerned about litter and dirt on the streets has risen by 4% to 34%, making it the top concern amongst residents in the borough.
- Satisfaction with policing has fallen by 3%, and crime remains the second largest concern for respondents, although the number of people saying crime is an issue of concern has fallen slightly for the sixth year running.
- The number of people saying traffic congestion is a concern has increased by 2% on last year to 27%, making it residents' third biggest concern.
- Concern about lack of jobs and the quality of health services has fallen.
- A record number of people think the council involves residents in decision making (56%, up by 4% since 2013).
- However, fewer people think the council responds quickly when asked for help (-4%) and more think the council does not do enough for people like them (+2%).
- There has been an increase in residents' opinions of several services, namely repair of roads, recycling facilities, activities for young people, and fly tip removal.
- Satisfaction with leisure and sports has decreased by a noticeable 7% from last year's record levels but satisfaction levels remain higher than at any time before 2010. Satisfaction among users is at an all-time high of 63%.
- Levels of satisfaction with public transport, housing benefit and council tax collection have also all dropped.

- Satisfaction with Merton's libraries has never been higher, with 66% of residents saying it is good to excellent, and a record 82% of users saying so.

Top concerns

- 2.5 Respondents are asked to identify three issues that are a concern to them.
- 2.6 The order in which the top concerns appear has altered since last year. Although satisfaction with the street cleaning service remains higher than pre-2010 and satisfaction with the way the Council deals with litter has risen 1% to 61%, concern about litter on the streets has seen a rise for the second successive year (+6% in 2013; +4% in 2014) and is now the sole top concern. Crime, which last year was joint top, is now second. Concern about traffic congestion follows, coming above council tax and then lack of affordable housing, quality of health service and lack of jobs. In keeping with previous years, the level of concern about crime and council tax continues to steadily drop. Concern over lack of jobs, having gone down by 3% last year, has gone down by another 8% this year.
- 2.7 Concern about traffic congestion (+4%) and litter on the streets (+4%) remains significantly higher in Merton than across the rest of London. Concern about crime remains below the pan-London score, however the difference is no longer significant, having lessened from -7% last year to -3% this year.

Overall image of the council

- 2.8 Whilst there are some slight changes in the overall image of the council from 2013, none of these are significant, suggesting a consistent level of approval of the Council. As shown below, residents are very positive about Merton council, with the same number as last year - 79% - agreeing that Merton is doing a good job. This is a significantly higher score than the London average and has only been bettered once, in 2011.
- 2.9 At 72%, the number of people saying the Council is efficient and well run is at a record high, and the number saying the Council offers Value for Money is also at a record score of 57%.
- 2.10 Merton residents are significantly more positive than London residents with regards to how difficult it is to get through to the council by phone, how good the council is at keeping residents informed and how friendly and polite staff are.

Your council....	% In agreement	Change since 2013	Merton v. Pan-London
Is doing a good job	79	0	+4*
Is efficient and well run	72	+2	+2
Involves residents in making decisions	56	+4	+3
Listens to concerns of local residents	60	0	+2
Is difficult to get through to on the phone [^]	39	-1	-7*
Responds quickly when asked for help	52	-4	0
Keeps people informed	76	0	+5*
Has friendly and polite staff	78	+1	+4*
Doesn't do enough for people like me [^]	45	+2	-1
Provides good value for money	57	+1	+3
Is doing a better job than one year ago	47	+4	+2
Is making the local area a better place	73	-1	-1

[^]Negative polarity – disagreement is desirable

*Significant difference between London and Merton scores

- 2.11 Residents who consider themselves to have a disability continue to rate the Council significantly lower than those without a disability on the council doing a good job (72% vs. 79% respectively). Disabled respondents also continue to be less likely to agree that the Council is making the area a better place to live to a significant degree (65% vs. 74%), less likely to agree that the Council is efficient and well run to a significant degree (63% vs. 73%), and less likely to agree the council responds quickly when asked for help (41% vs. 53%).

Satisfaction with services

- 2.12 There have been no significant increases in satisfaction with services in 2014, but two services have seen a significant decrease as set out in the table below:

Service	% Good	Change since 2013	Merton v. Pan-London
Refuse collection	70	-2	+2
Street cleaning	54	0	-2
Street Lighting	72	-1	0
Repair of roads	42	+3	+1
Parks, playgrounds, open spaces	72	+2	+4*
Nursery education	33	+1	+6*
Primary education	44	+1	+5*
Secondary education	33	0	-1
Adult education	29	-1	+4
Leisure and sports	44	-7*	-2
Libraries	66	0	+10*
Social services for adults	21	-3	+2
Recycling facilities	72	+3	+6*
Local health facilities	64	-1	-1
Public transport	76	-3	+1

Policing	59	-3	+10*
Housing benefit	15	-3	N/A
Council tax collection	62	-5*	-4*
Activities for young people	30	+3	+14*
Fly tip removal	46	+3	N/A
Social services for families and children	24	-1	+4*
Parking	35	+1	+3
Planning	29	+1	N/A
Childcare across the borough	25	+1	-1

*Significant difference between London and Merton scores

- 2.13 Although satisfaction levels remain higher than at any point before 2010, opinion on leisure and sports has dropped sharply by 7% since last year's all-time high, although perceptions continue to be more positive among users (a record 63% of users scoring this positively, compared to 44% of Merton residents).
- 2.14 Views on council tax collection have also dropped, down 5% on 2013, significantly lower than London (-4%).
- 2.15 However, many services are still performing significantly higher than the London averages, including for young people, policing, libraries, recycling facilities, and nursery education. Scores for primary education, parks, playgrounds and open spaces, adult education and evening classes and social services for children and families are also significantly above the London average.
- 2.16 There were some changes in user satisfaction with services, with 21% increase in the rating by users of social services for children and families and a 34% decrease in the rating by users of social services for adults. It should be noted, however, that these are from a low base size, less than 40 respondents in each case, so tend to be subject to more volatility, and the figures are therefore not statistically reliable. The rating for adult social services does not reflect the findings of the larger scale Adult Social Care User Survey. The 2013/14 survey saw increase on the previous years satisfaction with services.

The Council and the local area

- 2.17 Additional questions were placed in the ARS this year various partners and departments in the council. These additional questions focused around waste services, keeping up-to-date with what's going on in Merton, voluntary work, and Public Health.
- 2.18 There has been an increase in the number of respondents who are satisfied with the way the council deals with graffiti (63%) and litter (61%).
- 2.19 Residents in Village/ Hillside/ Raynes Park/ Wimbledon Park (area 1) and Cannon Hill/ Merton Park/ West Barnes/ Lower Morden (area 3) were significantly more likely to be satisfied with the way the council deals with litter than the average.

- 2.20 Satisfaction is lower with the way the council deals with fly tipping and dog fouling, with levels of satisfaction at 54% and 49% respectively, both down by 1% on last year.
- 2.21 The most-used method of keeping up-to-date with what is going on in Merton is the council publication 'My Merton' (37%) which is a significant increase from 2013 (5%). Use of information leaflets has significantly decreased over the past year (down by 6%), but remains the second most common method of keeping up-to-date. Use of the Merton website to keep up-to-date is significantly higher than last year, having increased by 6%, making it the third most common method.
- 2.22 One fifth of Merton residents has done voluntary work within the past 12 months. Of those that have not, the most common reason given is that they do not have time to volunteer (68%), with 10% saying that it had never occurred to them.
- 2.23 Overall Merton residents are positive about their health and wellbeing, with around 90% reporting that they are satisfied with life, felt happy yesterday and feel that life is worthwhile
- 2.24 Reflecting continuing high levels of concern about crime, 'feeling safe in your local area' is the area that most residents feel needs to be improved to better their sense of health and wellbeing (52%). Residents in Ravensbury/ St Helier/ Cricket Green (Area 5), are significantly more likely to say that 'feeling safe in your local area' could be improved than the average.
- 2.25 About a third (31%) of Merton Residents say that their sense of health and wellbeing could be improved by increasing their satisfaction with how their area looks.

Crime

- 2.26 Although satisfaction with policing has fallen by 3%, and crime remains the second largest concern for respondents, concerns about crime, anti-social behaviour and people being drunk and rowdy appear to be plateauing, following a downward trend over recent years.
- 2.27 Despite a positive overall performance there are some regional differences: as in 2013, residents in Colliers Wood/ Graveney/ Longthornton (Area 6) are significantly more worried about crime and drug users versus the Merton average (65% vs. 50% for crime; and 46% vs. 32% for drug use).
- 2.28 Residents of Lavender Fields/ Pollards Hill/ Figges Marsh (Area 4) are more worried about anti-social behaviour than the average (54% vs. 42%).
- 2.29 Residents also feel less informed about the council's measures to tackle antisocial behaviour than they did in 2013 (-6%).

Community Cohesion

- 2.30 There is high agreement that people in the local area treat each other with respect and consideration (91%, the same level as in 2013); agreement tends to

be higher among higher social grade respondents (AB – 94%) compared to lower social grade respondents (DE - 88%).

- 2.31 89% of respondents feel that people from different backgrounds get on well together, with just 7% disagreeing with this statement. Disagreement is slightly higher amongst Black respondents, although this figure has fluctuated widely, from 14% in 2012, down to 3% in 2013 and up to 10% this year.
- 2.32 Despite a slight drop (down by 3% to 60%), the majority of respondents continue to agree that the council treats them in a fair and non-discriminatory way
- 2.33 On average, 14% of respondents feel that the council does not tackle racism, whilst 42% feel it does and the remaining 44% unsure. Whilst Asian residents were slightly more likely to agree that the council does tackle racism (50%), they were also slightly more likely to disagree (19%).

Young People's Survey

- 2.34 Young people's concerns are similar to those of adults, and although young people's satisfaction with the Council's street cleaning service remains high (50%, down 1% on last year) litter and dirt in the streets is now their top concern, a significant increase from 2013 (up by 9% to 38%).
- 2.35 Concern about crime has fallen significantly (down by 11% to 35%), but it remains the second highest concern for young people in Merton, and is 8% higher than the London average. Bullying and bad behaviour also remain key concerns.
- 2.36 Merton council continues to be viewed fairly positively by young residents, with 77% feeling they get the services they need (a slight increase from 2013), and 84% feeling that the council does enough to protect young people (a significant increase from 2013). 89% of young people surveyed also agree that Merton is a good place to live, whilst significantly more young residents in Merton feel that the council involves young people when compared to the London-wide average (+15%).
- 2.37 The level of concern about health is significantly higher than the London average (+16%), and the same is true of the standard of education (+7%).
- 2.38 There are no significant differences in ratings for any services in 2014 versus 2013, and the only significant difference to the London averages is a higher score for social services for children and families (+11%).
- 2.39 Political involvement amongst young people has remained broadly stable, and generally slightly lower than the London average. Participation in voluntary work is significantly lower than London (-10%).

- 2.40 As with adults, feeling safe in the local area is a key factor that young people feel could be improved to increase their sense of health and wellbeing (54%). However, overall young people are fairly positive about their health and wellbeing, with 92% saying that they are fairly satisfied with life.

Next steps

- 2.41 The results are available to the public from the council website. Briefings on the results will be provided to partner organisations and local community groups over the next few weeks.

3 ALTERNATIVE OPTIONS

- 3.1 None.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 The survey is typically conducted with just over 1,000 people and ensures that key components of the local population are broadly represented in the sample of respondents. The survey is conducted by means of interviews in homes and public places, and also contains a specific set of questions for young people, which were put to just under 250 11-17 year-olds.

5 TIMETABLE

- 5.1 The results have been made publicly available and will then be shared with partner organisations. Further analysis of the data will be undertaken to support individual services areas.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1 The 2014 ARS has cost £45,250 met from departmental budgets.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1 The Council has a best value duty to consult residents and the survey helps meet this duty.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 A number of questions in the survey measure equalities and community cohesion targets. The survey also enables the Council to understand the views and priorities of local people, so that services can be tailored accordingly.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1 The survey is a key tool for identifying the crime and disorder concerns and priorities of local people. The findings will be fed into the statutory Crime and Disorder Strategic Assessment to set priorities for 2015-16.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 None.

11 APPENDICES – the following documents are to be published with this report and form part of the report

- 11.1 None.

12 BACKGROUND PAPERS – the following documents have been relied on in drawing up this report but do not form part of the report

- 12.1 Annual Residents Survey presentation charts available from the website at <http://www.merton.gov.uk/council/performance/residentssurvey.htm>
- 12.2 Annual Resident Survey cross-tabulations and charts.

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Cabinet

Date: 19 January 2015

Subject: Financial Report 2014/15 – November 2014

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

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

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

PURPOSE OF REPORT AND EXECUTIVE SUMMARY

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

This financial monitoring report provides:-

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

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

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

Summary Position as at 30th November 2014

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

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

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

Service Expenditure - Forecast Year End Variance

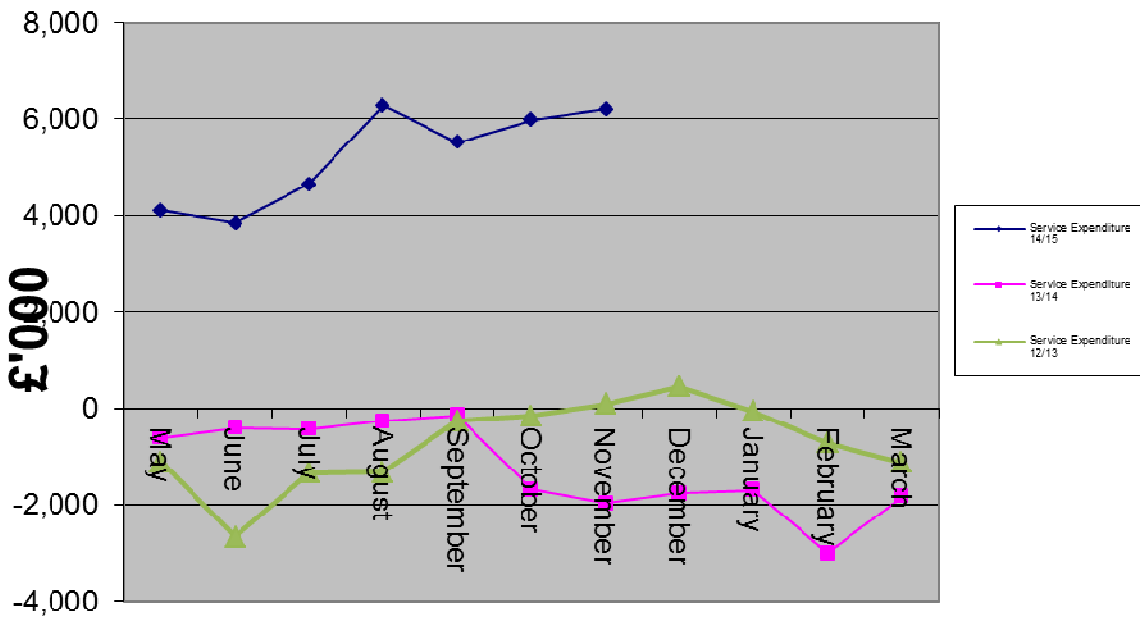
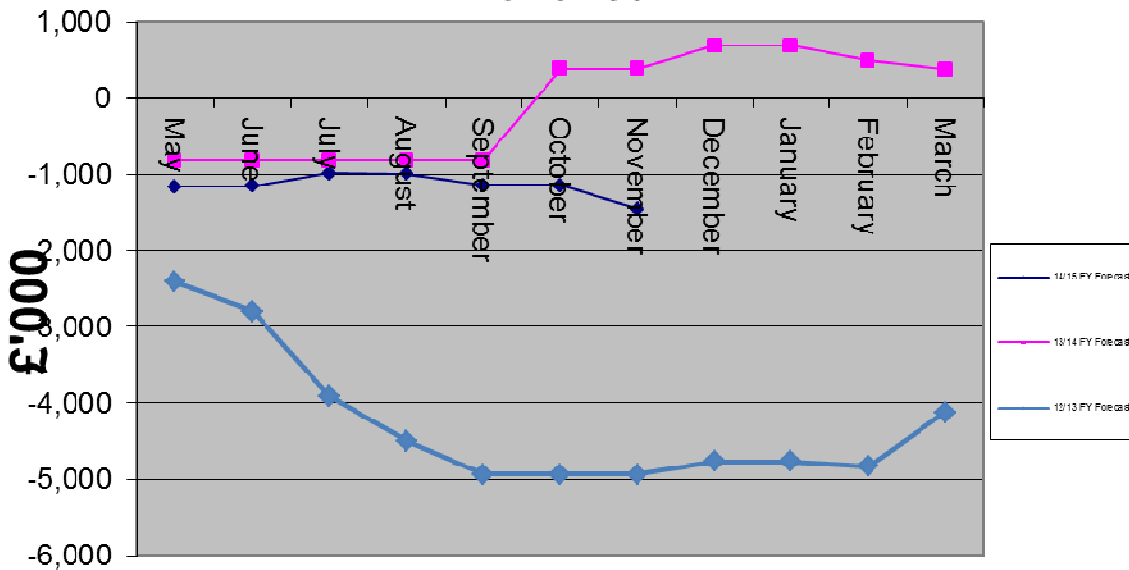


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against both 2013/14 and 2012/13.

Corporate Provisions - Year End Forecast Variance



Subjective analysis at 30th November 2014

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

DEPARTMENTAL SUMMARY OF CURRENT POSITION

3A Corporate Services Department

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

Overview

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

Business Improvement – forecast underspend £60k

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

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

Infrastructure and Transactions – forecast underspend £144k

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

Resources – forecast underspend £124k

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

Human Resources – forecast overspend £4k

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

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

Corporate Governance – forecast underspend £275k

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

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

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

Customer Services – forecast underspend £85k

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

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

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

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

Corporate items

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

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

Management Action

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

3B. Children Schools and Families

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

Overview

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

Local Authority Funded Services

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

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

Commissioning, Strategy and Performance Division

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

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

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

Education Division

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

Children's Social Care and Youth Inclusion Division

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

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

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

Redundancy costs

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

Dedicated Schools Grant

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

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

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

Management Action

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

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

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

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

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

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

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

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

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

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

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

C) Community and Housing

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

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

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

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

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

Over-view

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

Placements Overspend £3.3m

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

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

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

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

The table below identifies the movement in care package numbers:

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

Placement Pressures :-

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

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

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

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

Placements Income

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

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

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

Commissioning under -spend £120k

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

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

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

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

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

Direct Provision over-spend £801k

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

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

Adult Social Care Management Action

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

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

Libraries- £12k under-spend

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

MAE - £155k over-spend

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

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

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

Housing - £58k under-spend

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

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

Bed and Breakfast accommodation forecast is to be reviewed .

Public Health

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

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

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

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

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

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

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

3D) Environment & Regeneration

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

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

Overview

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

Pressures

Public Protection

Parking Services

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

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

Sustainable Communities

Greenspaces

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

Traffic & Highways

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

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

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

Senior Management & Support

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

Street Scene & Waste

Waste Services

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

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

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

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

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

Transport Services

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

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

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

Safer Merton

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

Management Action

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

(E) Corporate Items

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

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

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

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

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

4.1 Capital Expenditure

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

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

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

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

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

4.2 Capital Programme 2014/15

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

Merton Summary Capital Report - November 2014 Monitoring

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

Merton Summary Capital Report - November 2014 Monitoring

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

Notes

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

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

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

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

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

Changes to the Capital Programme 2014/15 since March 2014

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

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

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

5. DELIVERY OF SAVINGS FOR 2014/15

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

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

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

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

- Appendix 1 – Detailed monthly position table
- Appendix 2 – Detailed Corporate Items table
- Appendix 3 – Pay and Price Inflation as at June 2012
- Appendix 4 – Treasury Management: Outlook
- Appendix 5a – Current Capital Programme 2014/15 – July Monitoring Information
- Appendix 5b – Adjustments to the Capital Programme
- Appendix 5c – Funding the Capital Programme
- Appendix 6 – Progress on Savings
- Appendix 7 - Forecast year end variance by department

14. BACKGROUND PAPERS

- 14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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

APPENDIX 1

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

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

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

Pay and Price Inflation as at November 2014

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

Pay:

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

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

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

Scp 5 – 8.56%

Scp 6 – 7.93%

Scp 7 – 6.19%

Scp 8 – 4.13%

Scp 9 – 2.55%

Scp 10 – 2.32%

Scp 11 and above – 2.2%

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

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

Prices:

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

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

Outlook for inflation:

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

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

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

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

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

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

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

Treasury Management: Outlook

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

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

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

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

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

Source: Bank of England Inflation Report November 2014

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

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

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

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

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

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

Community & Housing Summary Capital Report - November 2014 Monitoring

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

Corporate Services Summary Capital Report - November 2014 Monitoring

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

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

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

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

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

Environment & Regeneration Summary Capital Report - November 2014 Monitoring

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

Virement, Re-profiling and New Funding

Appendix 5b

	2014/15 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2014/15 Budget	2015/16 Budget	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Reprofiling	Revised 2016/17 Budget
	£	£	£	£	£	£	£	£	£	£	£
Children, Schools & Families											
Devoled Formula Capital (2)	408,830	0	0	(38,830)	370,000	0	38,830	38,830	0	0	0
Merton Abbey Expansion	3,621,050	0	0	(96,830)	3,524,220	889,710	96,830	986,540	0	0	0
Dundo nald Expansion (2)	788,000	0	0	0	788,000	4,218,860	(80,000)	4,038,860	1,117,000	0	1,117,000
Wimble don Park School expansion	429,380	(76,000)	0	0	353,380	0	0	0	0	0	0
Singlegate Expansion	2,915,000			0	2,915,000	2,493,830	(300,000)	2,193,830	0	300,000	300,000
Expansion Inflation Contingency (2)	0	76,000	0	(76,000)	0	0	256,000	256,000	0	0	0
Secondary Autism Unit	40,000	0	0	0	40,000	1,160,000	(910,000)	250,000	0	910,000	910,000
New Secondary School	20,000	0	0	0	20,000	1,080,000	(980,000)	100,000	4,000,000	980,000	4,980,000
Community & Housing											
Laptops for Other Staff	6,1880	0	0	(53,880)	8,000	0	53,880	53,880	0	0	0
JMC Extension	200,000	10,000	0		210,000	0	0	0	0	0	0
Birches Close	10,000	(10,000)	0		0	0	0	0	0	0	0
Disabled Facilities Grant	800,000	0	0	(200,000)	600,000	1,269,470	200,000	1,469,470	724,000	0	724,000
Corporate Services											
Replace doc management system	300,000	0	0	(300,000)	0	440,000	300,000	740,000	0	0	0
Customer Contact Programme	300,000	0	0	(300,000)	0	485,000	300,000	785,000	0	0	0
Replacement Social Care System	400,000	0	0	(115,000)	285,000	571,000	115,000	686,000	0	0	0
Capital Bidding Fund	500,000				500,000	1,000,000	(122,000)	878,000	500,000	0	500,000
Civic Centre Windows	145,920	0	0	(115,000)	30,920	0	115,000	115,000	0	0	0
Civic Centre - Upgrading lifts	465,000	0	0	(157,870)	307,130	85,000	157,870	342,870	0	0	0
Transformation Budgets (2)	240,160	(512,170)		272,010	0	507,000	(272,010)	234,990	0	0	0
Disaster Recovery (2)	1710	512,170			513,880	0	0	0	0	0	0
Environment & Regeneration											
Play Space Pollards Hill	5,000	0	0	(5,000)	0	0	5,000	5,000	0	0	0
London Road Cemetery Extension (2)	0		340,000	0	340,000						
Figges Marsh Changing Room	150,000	0	0	(138,000)	12,000	0	138,000	138,000	0	0	0
B627a & Cott n hm Prk-play area	2,960	0	0	(2,960)	0	0	2,960	2,960	0	0	0
Wimble don Park Crazy Golf	30,000	(15,000)	0		15,000	0	0	0	0	0	0
Colliers Wood Area (S106)	9,570	0	0	(9,570)	0	0	9,570	9,570	0	0	0
B650 Rowan Road Park Improvmnt	3,060	0	0	(3,060)	0	0	3,060	3,060	0	0	0
Highways bridges & structures (2)	370,000	(143,000)			227,000	260,000		260,000	260,000	0	260,000
Wheelic Bins - Pilot (2)	0	48,000									
Taylor Rd Day Centre - Improvement Works (2)	0	25,000									
B646a Lombard Industrial Estat	23,970	0	0	(23,970)	0	0	23,970	23,970	0	0	0
Mitcham Major schemes	200,000	0	0	(100,000)	100,000	1,800,000	100,000	1,900,000	885,000	0	885,000
Restoration of South Park Gdns	169,890	15,000	0		184,890	0	0	0	0	0	0
Match Funding for GLA Bid from Future Merton (2)					0	0	122,000	122,000			
Restoration Mitcham Clock Tower	0	0	15,770		15,770	0	29,230	29,230	0	0	0
Colliers Wood Town Centre Impr	90,000			(90,000)	0	0	90,000	90,000	0	0	0
Mitcham Town Centre (1)	290,000	0	(125,000)		165,000	0	0	0	0	0	0
Belvederes and Ridgway Place (2)	0	70,000									
Tackling Traffic Congestion	1,300,000	0	0	(1300,000)	0	0	1,300,000	1,300,000	0	0	0
Waste Phase B - Replace RCVs	30,900	0	0	(30,900)	0	0	30,900	30,900	0	0	0
GPS Vehicle Tracking	130,000	0	0	(130,000)	0	0	130,000	130,000	0	0	0
Total	14,452,280	0	230,770	(3,014,860)	11,525,190	16,359,870	854,090	17,213,960	7,486,000	2,190,000	9,676,000

1) Transferred to Revenue

2) Requires Cabinet Approval

Capital Programme Funding Summary 2014/15

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

Capital Programme Funding Summary 2015/16

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

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DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS PROGRESS: 2014-15

APPENDIX 6

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Children Social Care							
CSF2012-01	Reduction of the overall detached youth service budgets following service review.	25	25	0	G	Paul Angeli		
CSF2012-09	Participation/Advocacy commissioning	50	50	0	G	Paul Angeli		
CSF2012-10	Duke of Edinburgh reprovide via schools funding	25	25	0	G	Paul Angeli		
CSF2012-12	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)	100	100	0	G	Paul Angeli		
	Education							
CSF2012-02	Increased income generation and management efficiencies	70	70	0	G	Jan Martin		
CSF2012-03	Service restructuring and realignment to deliver efficiencies	100	100	0	G	Jan Martin		
CSF2012-08	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	140	70	70	A	Jan Martin	Base budgets were reduced. The annual SLA charge is circa £300k above the budget due to an increase in 2013/14. Overall transport budget is forecasting an overspend due to increase taxi costs. Procedures have been put in place to reduce the overspend.	Y
	Commissioning, Strategy and Performance							
CSF2012-05	Reduction in commissioning budgets for Early Intervention and Prevention service	50	50	0	G	Paul Ballatt		

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS PROGRESS: 2014-15

APPENDIX 6

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2012-06	Reduce expenditure on LAC and SEN placements	200	178	22	A	Paul Ballatt	Base budgets were reduced. Increased cost due to higher caseload is causing a cost pressure, some of which is covered by grant funding. Grant funding is not expected to continue which will lead to an even bigger cost pressure in future years.	Y
CSF2012-07	Staffing reduction equivalent to 1 fte	50	50	0	G	Paul Ballatt		
CSF2012-11	Reduction of one post in commissioning and partnerships	50	50	0	G	Paul Ballatt		
	Total Children, Schools & Families Department Savings for 2014-15	860	768	92				

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS PROGRESS: 2014-15

APPENDIX 6

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
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DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2014/15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Adult Social Care							
ASC7	0% inflation uplift to third party suppliers	550	540	10	A	David Slark	No uplifts have been awarded to date, although there is currently discussion with one provider. This is the 5th year of no uplifts and it is becoming increasingly difficult to sustain with the providers. We will prudently assume 95% achievement of this target.	Y
Page 82 ASC13/ASC34	Brokerage Efficiencies	300	250	50	A	Julie McCauley	A lot of work is going on within the Brokerage team around negotiating the best value care packages; particularly new customers. The outcome of these negotiations often result in cost avoidance, which contributes to more efficient management of the placement budget.	Y
ASC16	Transitions	50	42	8	G	Jonathan Brown		
ASC19	Monitoring of high value/high cost placements (domiciliary)	50	43	7	G	Jonathan Brown	Prioritised reviews are generating savings from both of these projects. It is anticipated that the combined savings target of £100k will be achieved. Additional savings against the LD budget are being identified to meet other savings targets, in particular those related to Brokerage and Transport. Joint working arrangements are in place across ASC to review existing spend, identify savings and control new spend through the effective use of tools such as the Care Funding Calculator.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
ASC8	Optimising the use of block and spot contracts- OP&LD	300	0	300	R	David Slark	In addition to the 0% inflation uplift to providers, there is additional challenges around securing best value rates for LB Merton. There have been significant negotiations with EI Tandia around agreeing a mutually suitable rate. We liaised for a period of circa 9 months and have now agreed on a rate (which though higher than that of the former block contract) which is considerably less than the initial rate proposed by the provider in this regard based on the current number of customers in year savings are circa £225k. Additionally, discussions are also on-going with Choice Support to re-negotiate a better rate, and other ideas for alternative savings are currently being developed. A Supported Living Service for Adults with LD (ex Orchard Hill) recently agreed by Cabinet should provide savings of circa £100k in the final quarter for 2014-15.	Y
ASC45	Reablement (outcome- care packages)	50	50	0	G	Sarah Wells	It was anticipated that reductions in Older People's packages after hospital discharge was possible once the new MILES Reablement service was fully operational. Although there have been delays in the implementation of the new service, there has been a reduction in residential placements. We anticipate that these savings should be achieved.	

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
ASC46	Review Service packages	60	60	0	G	Jean Spencer	The projected savings in Period 7 were circa £50k. With a targeted review programme commencing 5 January 2015 it is anticipated that additional reviews would yield at least a further £10k.	Y
ASC54	Reduction in Mental Health Placement	50	0	50	R	Kamla Sumbhoolual	There has been an increase in care packages and in the number of people requiring placements. In addition CCG have stepped people down from CCG health funded placements, as well as the expectation of the CMHT contributing 50/50. The panel process has been reviewed to ensure all parties make an appropriate contribution. There should be some impact on this budget line, but not enough to achieve the savings.	Y
CH12	Remove day care costs from residential customers	250	0	250	R	Andy Ottaway-Searle	The LD/PD teams place few residential customers in external day opportunities; most live with families and day services are highly specialised. The relevant customer base has been reviewed with the aim of reducing day care costs. Residential homes have however indicated they would increase their charges if asked to arrange day time activities.	Y
CH14	All Saints Respite extension	36	0	36	G	Julie McCauley	A sound plan was developed to release savings by supporting people with PD at All Saints as well as existing LD users. The building however needs minor adaptation and this has not been progressed. These savings cannot therefore be achieved as planned. Alternative savings are being sought through the Brokerage Team.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CH15	Assistive Technology	70	70	0	A	Andy Ottoway-Searle	AT is increasingly recognised as playing a key part in preventative services. The 'Just Checking' tool allows a more accurate assessment to be made of an individual's needs, enabling a suitably tailored package for care to be prescribed. Work is now being carried out to evaluate figures for both cost avoidance and actual savings following adjustments to care packages after Telecare has been installed. Additionally there has been a reduction in commissioned non-intensive home care hours as well as residential placements which will also have been positively influenced through the provision of AT.	Y
CH6	Voluntary Organisation- SLA reduction	150	50	100	A	Rahat Ahmed-Man	The aim was to reduce placement costs through volunteer sector providers, essentially impacting third party spend. The reduction in volumes and hours will impact but the savings will not be achieved in full.	
	Voluntary Sector Grants- reduction in infrastructure	98	0	98	R	Rahat Ahmed-Man	Grants have been reduced from circa £1m in 2013-14 to circa £830k in 2014-15. Due to a decision to provide transitional funding for various voluntary sector organisations this savings will now not be achieved.	
ASC52	Delete 1 management post & reduce management & staffing costs	53	53	0	G	Rahat Ahmed-Man	A Commissioning Manager's post has been deleted. This savings has been achieved.	

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ASC53	Meals on wheels contract	50	0	50	R	Rahat Ahmed-Man	It has not been possible to take any more savings out of this contract by removing customers from the service. We are in the process of re-commissioning the service jointly with LB Croydon, with contract due to commence in July 2015. The new contract is estimated to achieve annual savings of circa.£90k.	Y
ASC4	TCES Retail Model (simple equipment)	23	33	(10)	G	Maike Blakemore	It is anticipated this savings target will be achieved.	
ASC44	Remodelling of reablement service	282	282	0	G	Sarah Wells	This savings was due from the remodelled MILES service. The establishment was adjusted accordingly and other vacancies have been held. It is likely this savings will be over achieved.	
ASC47	Additional Reablement Funding (CCG)	500	500	0	G	Sarah Wells	This is not a savings, but additional funding which will cover some of the 2014-15 cost increases.	
ASC48	Staff Vacancy Factor	105	105	0	G	ALL	This savings was due to be achieved by holding three specific posts vacant. This savings should be overachieved due to the under spend on the staffing budget.	
CH2	Promoting independence	500	280	220	A	Sarah Wells	The delay in implementing the new reablement model has impacted on the ability to fully achieve this saving. Vacancies have been held and other minor budgets frozen to help achieve part of this savings.	
CH4	Reduce management costs & reduction in staffing costs	148	148	0	G	Jonathan Brown/ Jenny Rees & Julie Phillips	The staffing budgets are projected to underspend. This saving will be achieved.	

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CH13	Reduction in staffing in Access & Assessment	50	50	0	G	Jonathan Brown/ Jenny Rees & Julie Phillips	The staffing budgets are projected to underspend. This saving will be achieved.	

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
ASC6/ASC49/CH8	Transport	246	0	246	R	Andy Ottaway-Searle	Action has been taken to reduce volume and to reduce usage of fleet vehicles by Direct Provision staff using self-drive vehicles to collect customers from home. However significant price increases in Fleet transport and taxi costs have meant that the savings will not be realised. To date five taxi packages have been changed resulting in savings from now until year end of circa £7k. A further seven packages are being reviewed currently.	Y
ASC50/CH7	Staffing savings in Direct Provision	216	216	0	G	Andy Ottaway-Searle	Posts were deleted and budgets reduced at the start of the year. How day centres are overspending due to transport costs as per above.	
ASC23	Partnerships :The health and social care system . Reablement	(2,000)	(2,000)	0	G	Sarah Wells	This is CCG funding received to support the 2014-15 ASC budget.	
	<u>Merton Adult Education</u>							
	Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176	R	Yvonne Tomlin	Budget holder meeting to be arranged to establish an action plan to meet savings as team is already forecasting an overspend.	Y
	<u>Libraries</u>							
	Media fund	10	10	0	G	Anthony Hopkins		
	<u>Housing</u>							
	Homelessness Prevention Grant	92	92	0	G	Steve Langley		
	Total Community & Housing Department Savings for 2014/15	2,465	874	1,591				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 14-15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Under
	<u>Business Improvement</u>							
CS1	Rationalisation of management costs	50	50	0	G	Sophie Ellis		
CS3	Generate income through training	5	5	0	R	Sophie Ellis	Alternate saving identified	N
CS4	Expiry of salary protection	10	10	0	G	Sophie Ellis		
	<u>IT Service Delivery</u>							
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	29	29	0	G	Mark Humphries		
CS6	Consolidation of ITSD Revenue Budgets	34	34	0	G	Mark Humphries		
CS7	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	10	10	0	G	Mark Humphries		
CS9	Fallout of pay protection	16	16	0	G	Mark Humphries		
CS11	Deletion of One Van	5	5	0	G	Mark Humphries		
CS13	Cancellation of all Escrow Agreements (Carefirst, Hometrack Data, Ash, Open Revenues, Proactis, Fibonacci)	4	4	0	G	Mark Humphries		
CS14	Cancellation of ttMobile contract	35	35	0	G	Mark Humphries		
CS19	Energy ReFit Savings (Subject to agreed investment) - Phase 1	100	100	0	G	Mark Humphries		
CS24	Project Manager - Accommodation (Vacant Post)	46	46	0	G	Mark Humphries		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 14-15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Under
CS26	Savings realised from the renegotiation of Corporate Cleaning Contract	39	39	0	G	Mark Humphries		
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	10	10	0	G	Mark Humphries		
CS29	Energy Procurement	200	200	0	G	Mark Humphries		
	<u>Corporate Governance</u>							
CS32	Integrate the FOI and Complaints functions	40	0	40	R	Paul Evans	Alternate savings within division identified and implemented	Y
	<u>Customer Services</u>							
CS35	Close Cash Office	30	30	0	G	Sean Cunniffe		
CS36	Re tendering of Cash Collection Contract	20	15	5	A	Sean Cunniffe	Although contract award yielded a saving the roll-out of cashless parking and increased banking charges may result in target being unachievable in year	Y
CS37	Increase Registrars Income	20	20	0	G	Sean Cunniffe		
CS38	Review of Welfare Benefits and New Welfare Support program	30	30	0	G	David Keppler		
CS39	Impact of Customer Service Review	30	30	0	G	David Keppler		
CS40	Rationalisation of Divisional Budgets	20	20	0	G	David Keppler		
	<u>Resources</u>							
CS41	Resources - Change in Audit Arrangements	185	185	0	G	Paul Dale		
CS42	Resources -Fall Out of Pay Protection Arrangement	45	45	0	G	Paul Dale		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 14-15

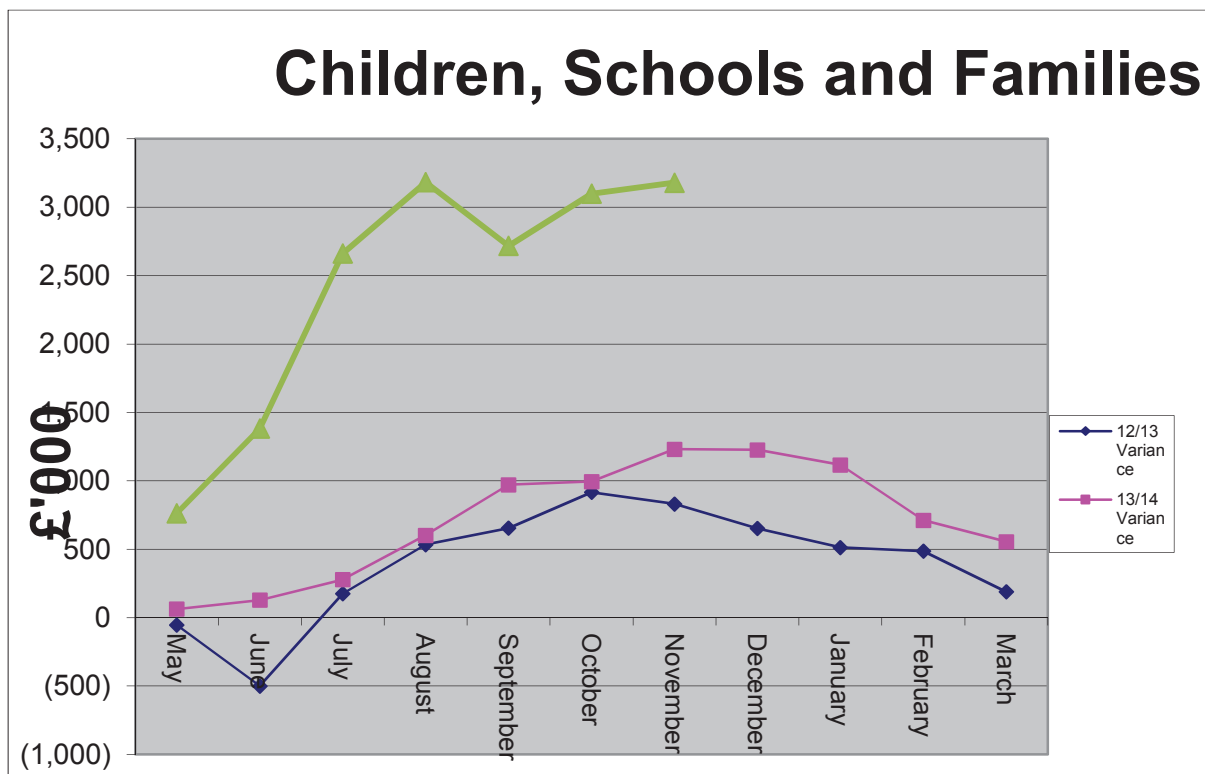
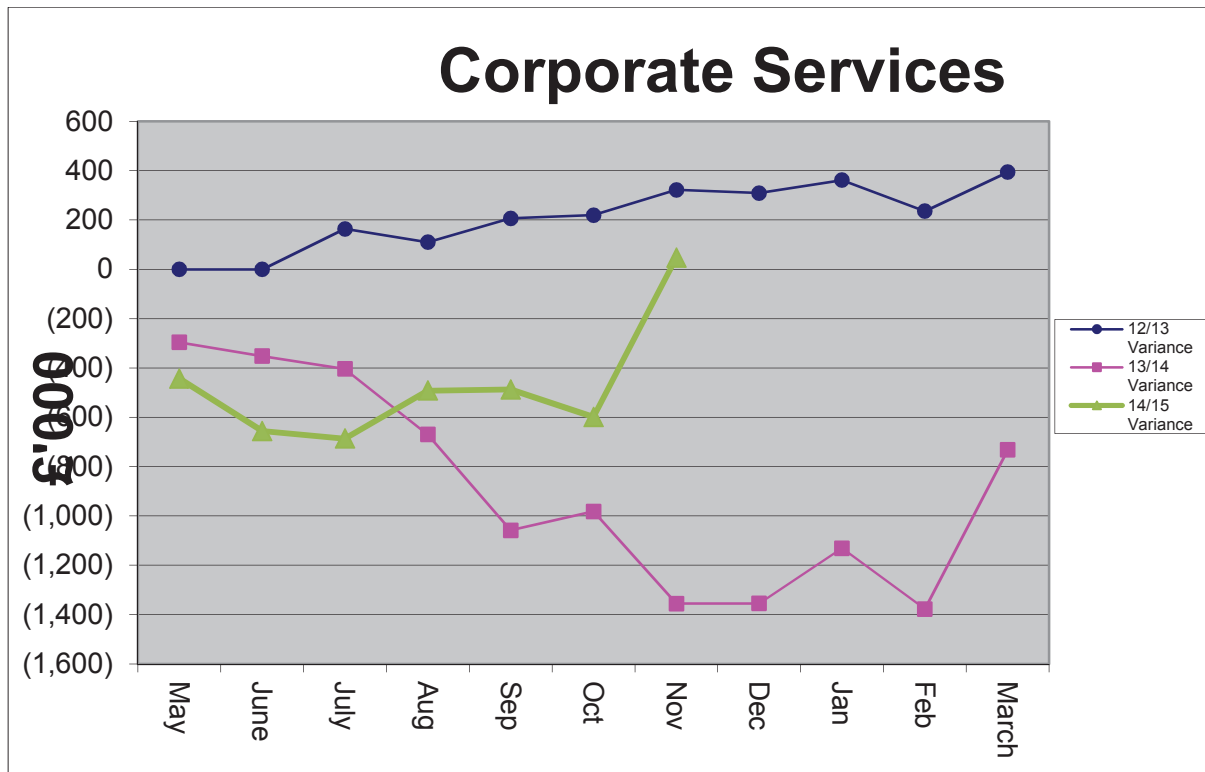
Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Under
CS43	Resources -Delete Business Planning Post	50	50	0	G	Paul Dale		
CS44	Resources -Review of Insurance Provision	200	200	0	G	Paul Dale		
CS45	Resources -Improved Cash Management	200	200	0	G	Paul Dale		
CS37	<u>I&T</u> Introduce a charge for the Archive Service Facility (approximately 0.39p per month - commercial rates x 3300 boxes) to produce income - E02243	15	15	0	A	Mark Humphries	Alternate savings to be identified	N
CS44	<u>Human Resources</u> Co-locate all recruitment jobs	60	60	0	G	Dean Shoesmith		
CS49	CRB Income generation via sales to PVI	30	15	15	R	Dean Shoesmith	Alternate savings to be identified as well as further opportunities for income	Y
CS54	<u>Corporate Governance</u> Delete Deputy Head of Service or one Democratic Services Officer post	18	18	0	G	Paul Evans		
CS56	Reduction in overtime payments to staff in Mayor's Office	1	1	0	G	Paul Evans		
	<u>Customer Services</u> Delete Communications Admin Assistant post (vacant)	23	23	0	G	Sophie Poole		
	Delete Advertising, Film and Sponsorship Officer post (vacant)	40	40	0	G	Sophie Poole		
	Total Corporate Services Department Savings for 2014/15	1,650	1,590	60				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2014-15

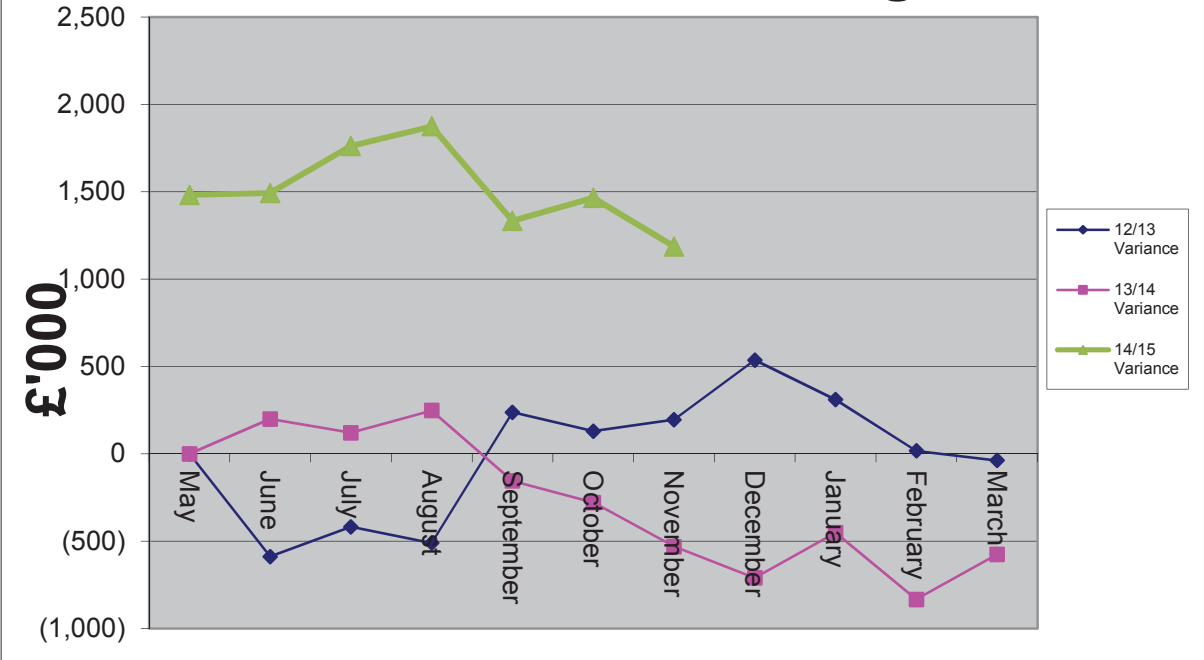
Ref		2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
LEISURE & CULTURE								
ER04	Reductions in supplies & services budgets; Increased income at Morden Assembly Hall and the Watersports Centre; Grant reduction of c15% to both Polka and Attic Theatres.	29	29	0	G	James McGinlay		N
ER05	Increase income through installation of multi use games area at Canons Leisure Centre.	15	15	0	G	James McGinlay		N
EN33	Recharging for staff time & reduction of 0.2fte.	33	33	0	G	James McGinlay		N
EN35	Increased Income through various charging increases.	11	11	0	G	James McGinlay		N
EN36	Increased Income through sale of advice & guidance.	15	15	0	G	James McGinlay		N
EN38	Reduction of Core Arts Grants to Polka Theatre.	4	4	0	G	James McGinlay		N
BUILDING & DEVELOPMENT CONTROL								
EN06	Staff reduction of 2fte.	73	73	0	G	James McGinlay		N
TRAFFIC & HIGHWAYS								
EN23	Reduction in Grounds Maintenance Budget.	50	50	0	G	James McGinlay		N
EN24	Deletion of Major Project Engineer Post.	30	30	0	G	James McGinlay		N
EN25	Reduction in the Surface Water Budget.	18	18	0	G	James McGinlay		N
EN26	Reduction in the Ditching Budget.	11	11	0	G	James McGinlay		N
EN27	Reduction in the Lining Budget.	10	10	0	G	James McGinlay		N
EN28	Reduction in Energy budget.	70	70	0	G	James McGinlay		N
FUTURE MERTON								
EN41	Review of staffing levels by 1.5fte within the section following transformation review.	40	40	0	G	James McGinlay		N
EN43	Community grant scheme reduction.	60	60	0	G	James McGinlay		N
GREENSPACES								
EN45	Further commercialisation and development of sports and allied parks services	96	80	16	R	James McGinlay		Y
ENVIRONMENTAL HEALTH, TRADING STANDARDS & LICENCING								
ER10	Merton & Richmond shared regulatory services.	100	100	0	A	John Hill	Shared Service began on 1st August. Due to the delayed start date, the full £100k saving may not be met this financial year. However, any shortfall is expected to be met from posts currently vacant within the section.	N
WASTE SERVICES								
ER17	Ceasing compensation payments to Sutton as part of SLWP agreement.	10	10	0	G	Cormac Stokes		N N N Y
	Planning costs reduction	59	59	0	G			
	Reduction in costs of waste process per tonne	1207	1207	0	G			
	Consultancy and legal costs cease in relation to new partnership contracts	213	188	25	R			
ER25	Commercial Waste and Recycling	250	0	250	R	Cormac Stokes	The section is currently in the process of recruiting a commercial waste manager following recommendations from Eunomia who undertook a full review of the service. Current income targets will not be achieved. E&R have recently recruited a Strategic commercial sales manager who will be devoting 20% of their time to support the Waste Operation sales area.	Y
EN13	Alter management structure as a result of recommendations in consultants report.	56	56	0	G	Cormac Stokes		N
EN15	Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.	100	0	100	R	Cormac Stokes	The 2014/15 baseline budget was reduced by £100k, and the agency related expenditure is forecast to reduce from £2,012k in 2013/14 to £1,607k in 2014/15. The street cleansing service is not covering all annual leave and sickness absence to reduce to cost of agency spend. However, the service is still forecasting an overspend.	Y
EN17	Reduction in Staffing 1.5 FTE	65	65	0	G	Cormac Stokes		N
EN18	Reduction in cost of waste processing per tonne (phase B) contract gate fee	135	135	0	G	Cormac Stokes		N
EN19	Reduction/Re-negotiation of Phase A Contracts.	295	295	0	G	Cormac Stokes		N
EN20	Reduction of tonnage to landfill based on current projections for disposal	60	60	0	G	Cormac Stokes		N
EN21	Dividend from positive movements in Foreign Exchange rates associated with capital costs of Phase B facility resulting in improved unitary charge	50	50	0	G	Cormac Stokes		N
PARKING SERVICES								
EN03	Enforcement of new CPZ's (Controlled Parking Zones)	50	10	40	R	John Hill	The CPZ implementation programme for this year is such that it is unlikely to generate the level of income previously forecast from enforcement. The saving will be mitigated by the employment of additional CEOs to cover sickness, absences and areas of non-compliance not routinely patrolled within the existing staff rotas.	Y
EN04	Implementation of Pay & Display machines in new CPZ's (Controlled Parking Zones)	75	15	60	R	John Hill	This is ongoing, but not at the rate previously forecast.	Y
EN12	Refocusing of resources on areas of non-compliance in order to tackle traffic congestion hotspots and increase efficiency of the service.	48	48	0	G	John Hill		N
Total Environment and Regeneration Savings 2014/15		3338	2847	491				

APPENDIX 7

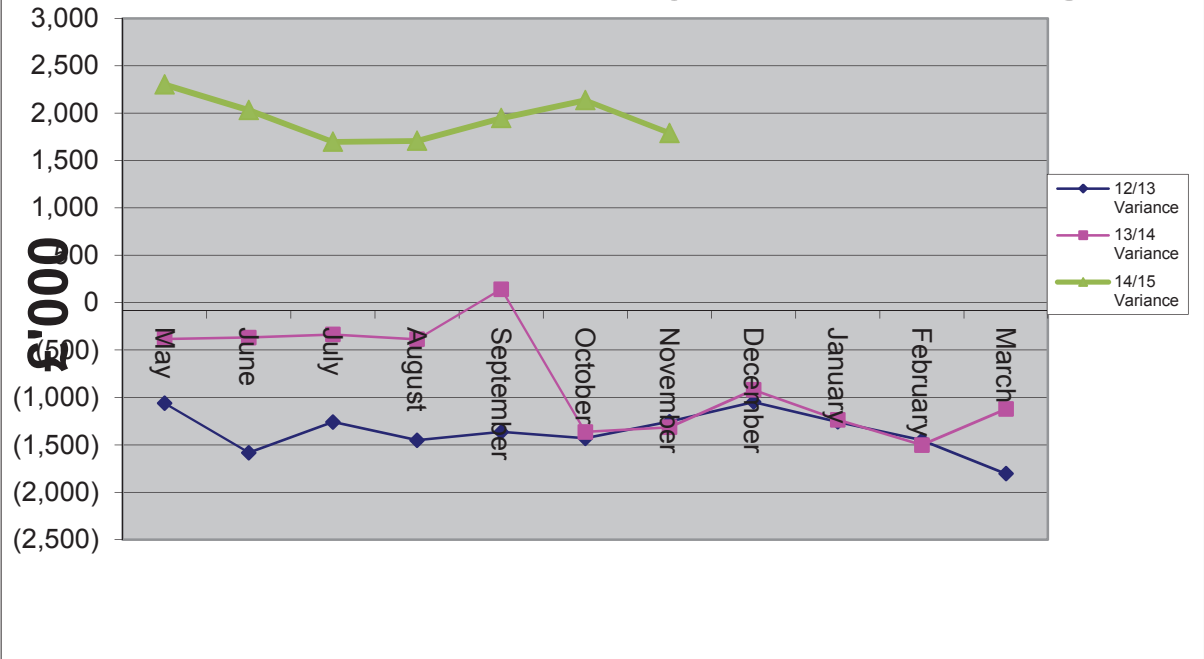
The following charts show the forecast year end variance by department with a comparison for 2012/13 and 2013/14:



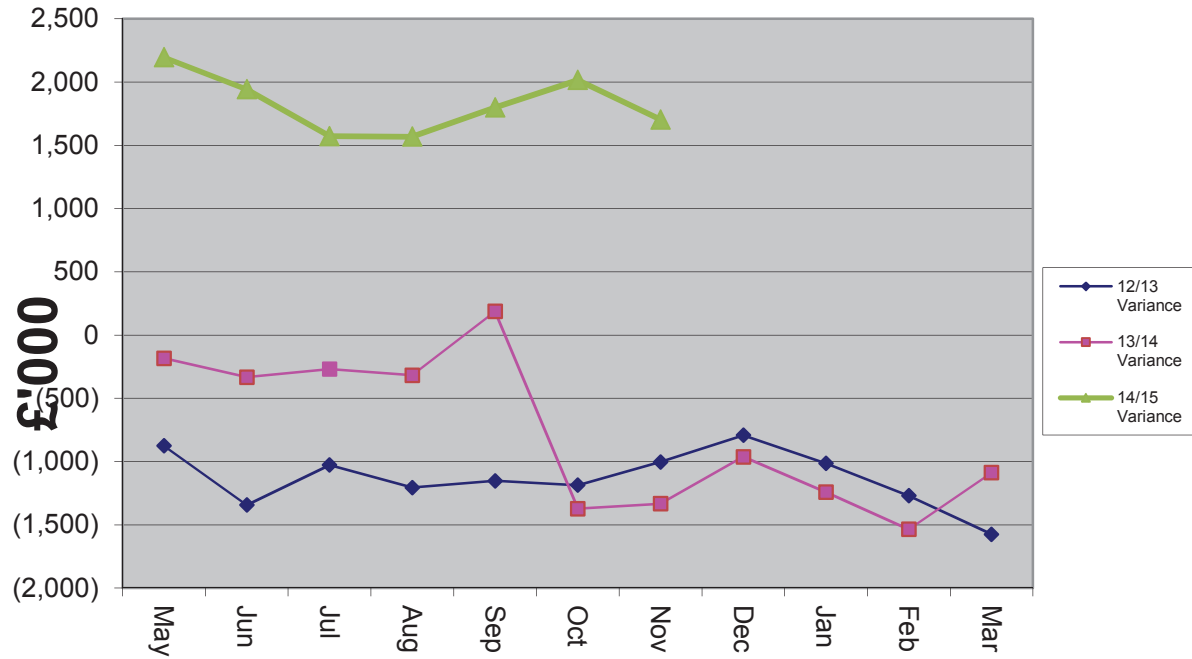
Environment and Regeneration



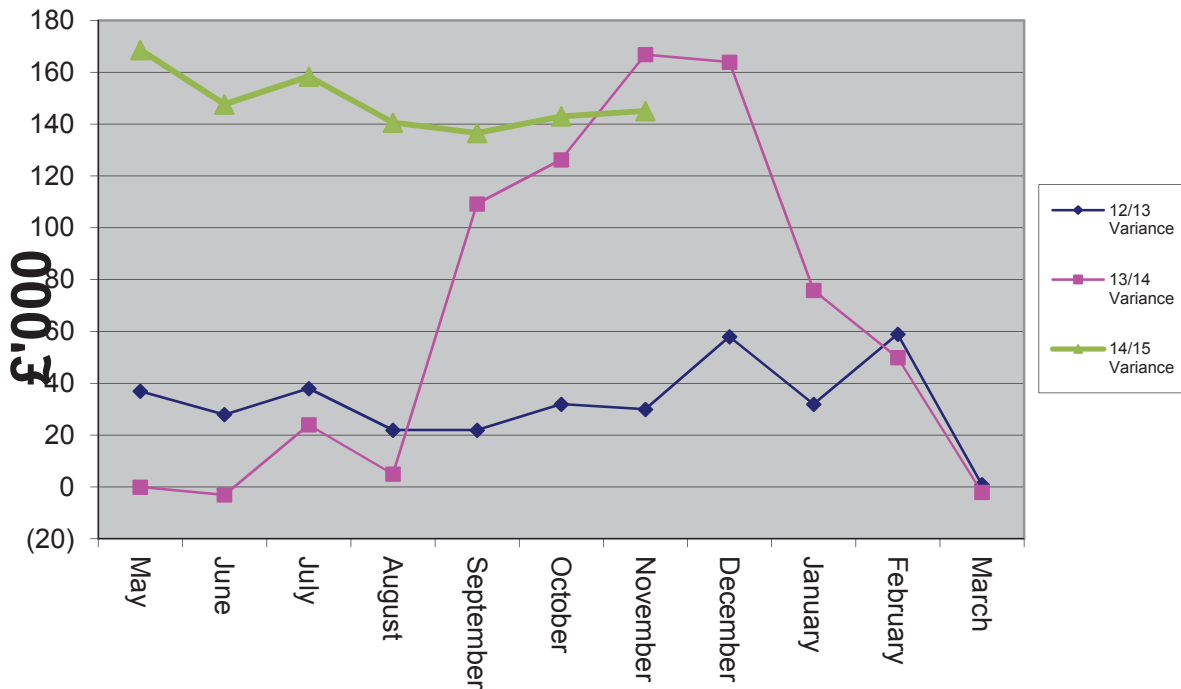
Community and Housing



Adult Social Care



Libraries & Adult Education



Housing General Fund

